

# Financing Homes

69960

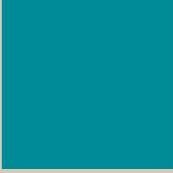
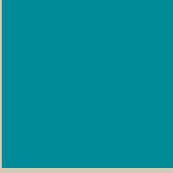
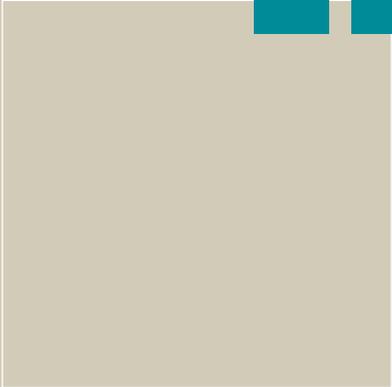
COMPARING REGULATION IN 42 COUNTRIES

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized





# Financing Homes

COMPARING REGULATION IN 42 COUNTRIES

© 2008 The International Bank for Reconstruction and Development / The World Bank  
1818 H Street NW  
Washington, DC 20433  
Telephone 202-473-1000  
Internet [www.worldbank.org](http://www.worldbank.org)  
E-mail [feedback@worldbank.org](mailto:feedback@worldbank.org)

All rights reserved.

1 2 3 4 08 07 06 05

A publication of the World Bank and the International Finance Corporation.

---

*Financing Homes* was prepared by a team led by Mehnaz Safavian, under the overall guidance of Simeon Djankov (Monitoring and Analysis Department) and Kenroy Dowers (Global Financial Markets Department) at IFC. The team consisted of Maximilien Heimann and Mariya Kravkova. Other contributors were Frederic Bustelo, Steven Butler, Nicolae Cristea, Oscar Dussán, Cemile Hacibeyoglu, Olga Puntus and Bryan Welsh. Administrative support was provided by Hédia Arbi and Mauricio Cifuentes. Alison Strong edited the manuscript, and Gerry Quinn designed the report and the graphs. Valuable comments and review were provided by Michael Bookstaber, Loic Chiquier, Anjali Kumar and Simon Walley.

This volume is a product of the staff of the World Bank Group. The findings, interpretations and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work.

### **Rights and Permissions**

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone 978-750-8400; fax 978-750-4470; Internet: [www.copyright.com](http://www.copyright.com).

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2422; e-mail: [pubrights@worldbank.org](mailto:pubrights@worldbank.org).

# Contents

---

Overview	1
Registering a mortgage	2
Foreclosing on a property	7
Effects on housing markets	12
How to reform	14
Data notes	15
References	18
<i>Financing Homes</i> indicators	19
Acknowledgments	27



# Overview

Mortgage financing amounts to less than 1% of GDP in Egypt. It comes to 10% of GDP in Mexico, 39% in South Africa. And it's equal to more than 85% of GDP in New Zealand. Why these big differences? They stem in part from the difficulties buyers face in registering a mortgage and title transfer—and the difficulties creditors face in foreclosing on a property when a borrower defaults.

Registering a mortgage and title transfer takes 3 days in New Zealand and 4 in Georgia—but 193 days in Egypt and a year in Rwanda. The cost to do so ranges from a low of 0.04% of the property value in Canada and 0.08% in New Zealand to a high of nearly 19% in Nigeria.

Foreclosing on a property in default takes 260 days on average. But the time varies considerably across countries, ranging from a low of 55 days in Kazakhstan to a high of 706 in Ghana. The cost of foreclosure also varies greatly, ranging from 1.4% of the property value in Japan and 1.9% in Romania to almost 48% in Zambia.

When mortgage financing is available, the market for housing grows and a large share of the population can become homeowners. The time, cost and degree of certainty involved in registering a mortgage and title transfer and foreclosing on a property all play a key part in whether lenders are willing to assume the risk of a mortgage loan and, if so, what price they will charge to a prospective

borrower given a certain level of risk.

*Financing Homes* benchmarks regulatory efficiency in registration of a mortgage and title transfer and in foreclosure in 42 countries. Using a methodology modeled on the *Doing Business* indicators, which allow comparisons across countries and over time, the study investigates the time and cost to comply with regulation.<sup>1</sup> It creates indices on the efficiency of the registration system and the degree to which notaries are involved in the process of registering a mortgage and title transfer. And it documents countries' choice of judicial or administrative procedures for foreclosure.

To identify features of registration and foreclosure systems that may foster housing finance, the study links these indicators to the size of mortgage markets. It also documents and analyzes recent reforms to highlight the benefits of regulatory improvements for growing homeownership.

Mortgage registration and foreclosure are just part of what drives growth in mortgage finance and the housing market. Other features of an economy also have an effect—the existence of secondary mortgage markets and other sources of long-term funding, income distribution and effective demand, the size of the overall financial sector, macroeconomic stability and land titling and use policies.

Still, mortgage registration and foreclosure are an important part. When the system for registering a mortgage and title transfer functions poorly, it can create a bottleneck in the housing finance system and add substantially to the costs of a housing transaction. When foreclosure processes are slow and outcomes uncertain, housing finance becomes more expensive or even unavailable for many borrowers.

Why is housing finance so important? In many countries a rapid flow of population to cities is putting pressure on the housing supply. Where new construction is unable to keep up with demand or is out of reach for many, slums proliferate.

Housing finance is critical to support strong housing markets able to meet the growing demand. And with strong housing markets come many economic and social benefits. Among these benefits: more consumer saving, more capital for entrepreneurs, more social and labor mobility and more spending and investment financed by homeowners borrowing against the value of their homes.<sup>2</sup>

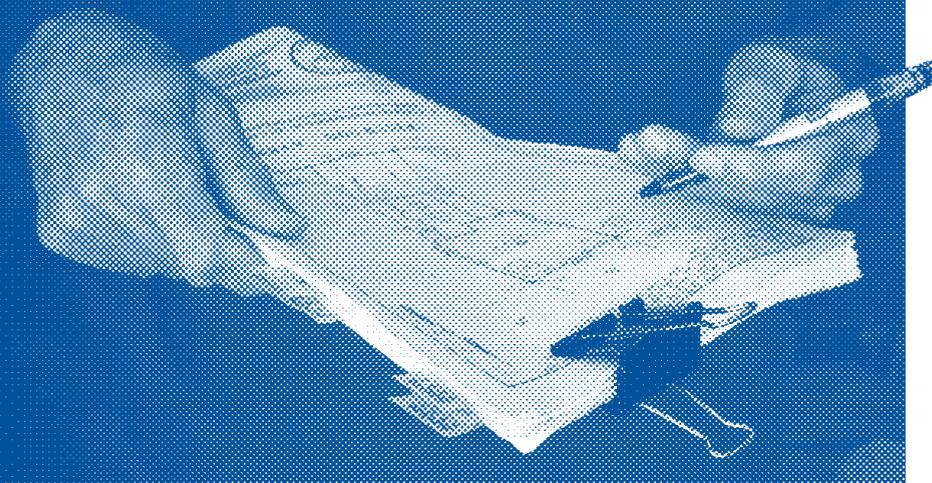
Housing finance also plays an important part in the development process. Mortgage finance can contribute to financial sector growth—and accounts for a sizable part of a liberalized financial sector. In rich countries housing finance averages 70% of GDP. But in most low- and middle-income countries it remains below 10% of GDP.

In these countries the limited availability and the cost of housing finance have kept many prospective borrowers from participating in the market and reaping its benefits. But this may be set to change. In many developing countries low inflation and rising incomes have made long-term financing feasible. Legal reforms have strengthened title registration and contract enforcement. Financial systems have introduced new technology, such as credit scoring and better data reporting. Micro loans for housing renovation have become available. All these are promising signs for the development of mortgage finance.

## NOTES

1. <http://www.doingbusiness.org>.
2. See Hernando de Soto's (2003) discussion of "dead capital" and the importance of titling and secure property rights to economic growth, poverty reduction and entrepreneurship.

# Registering a mortgage



When Ardita Brace's husband, Gezim, got a new job in November 2007, the couple was elated. They would finally be able to afford a new apartment—and move out of the one they had been sharing with Gezim's parents in Tirana, Albania.

The couple found just what they wanted, then visited several banks in Tirana. After deciding to go with one of the largest, the couple quickly got back in touch with the seller. That's where the problems started: the property was not registered with the Albanian property office.

The seller offered a creative solution: he would give the Braces title to another property in a building across town until he found a way to solve the problem with the registration office. In the meantime they could occupy the apartment. He assured them that this happened often—a common way of dealing with some of the growing pains of Tirana's booming real estate market.

But the "Tirana solution," while creative, retards mortgage financing. For a mortgage to be legally valid, there must be proof that the mortgagor has title to the property, there must be a legal agreement between the mortgagor and the creditor, and the mortgage must be published through registration.<sup>1</sup> But in countries with an inefficient registration system, registering a mortgage can be expensive, complex and onerous.

Inefficiency in the process to register a mortgage and title transfer matters because it can create a bottleneck in the housing finance system and substantially increase the costs of a housing transaction. Registration of real property rights affects secured housing finance at almost every step. It enables the creditor to determine that the borrower owns the property and has the right to pledge it—and makes it possible to identify any third-party rights to the property that might interfere with enforcement of the mortgage right. Registration of the mortgage ensures the creditor's priority over other secured creditors and most holders of unregistered rights.<sup>2</sup>

When registration is unreliable—for example, if there are long delays in publishing the registration or if there is a potential for competing title claims to emerge later—creditors face much higher risk in extending a mortgage. The result is likely to be higher interest rates and larger down payments for homeowners.

Speed, low cost and simplicity are fundamental to an efficient system for registering mortgages and title transfers. The following sections use these 3 criteria in examining the efficiency of the registration process across 42 countries.

## TIME TO REGISTER A MORTGAGE

Property registration in Accra, Ghana, is tedious. Registering the transfer of a property with a mortgage charge attached to it can take up to 140 days—and the potential for errors and disputes can mean multiple titleholders for the same property.

Part of the problem is that land-ownership, as traditionally structured, is divided among customary authorities, family holdings and the government. Communal ownership is common, and in Accra owning bodies are represented by chiefs, priests, quarter heads and family heads. In addition, Accra lacks systematic cadastral mapping, registration and titling. Land titling initiatives undertaken since 1984 have made some headway. But registration was made compulsory only for the "registration district," which covers just a small share of the untitled land.

Checking that a property title is valid and free from any previous liens and encumbrances is complicated by the existence of 2 competing land registration systems. If land is titled through the Land Title Registry, registration is quick, secure and efficient, usually taking no more than 3 days. But less than 5% of land falls under this system. The other 95% go through the Deeds Registry, which requires surveyors to verify the boundaries of the property. Completing this process takes about 3 months for

the survey department.

This delay frustrates potential homeowners, because most lenders will not release loan proceeds until the mortgage right has been registered.<sup>3</sup> Long processes also mean more room for registry errors. So registration delays can complicate lending transactions by raising the possibility that other interests may intervene, undermining the lender's priority right to the property.

The time for registration is measured by the number of calendar days required to register a mortgage and title transfer, starting with the conclusion of the sale agreement and up to the perfection of the mortgage lien. The analysis assumes that a mortgage loan is used to acquire a registered residential property from a seller who is the registered owner and that there are in effect 2 transactions to be registered—the transfer of the title to the property and the establishment of a mortgage on the new title.

Without these assumptions, the delays would be much longer. For example, the initial registration of a property is the most difficult and time-consuming registration transaction. And if the seller is not the current registered owner, the entire intervening chain of title might have to be reviewed once the registration application is submitted.

If there is no transfer of title involved, registration of a mortgage can be much faster. In emerging market economies a great deal of mortgage lending involves no transfer of title; registered owners are seeking to “unlock” capital tied up in their property to finance business ventures.

The speed of registration varies considerably. The process takes 3 days in New Zealand and 4 days in Armenia and Georgia. But it takes nearly 7 months in Egypt—and a year in Rwanda (figure 1).

What drives these differences? Delays may be rooted in the operational infrastructure of the registration system, the bureaucratic process itself, the capacity of registry staff or the overall legal environment. Rwanda has simple regulation, yet still has the slowest process for

FIGURE 1

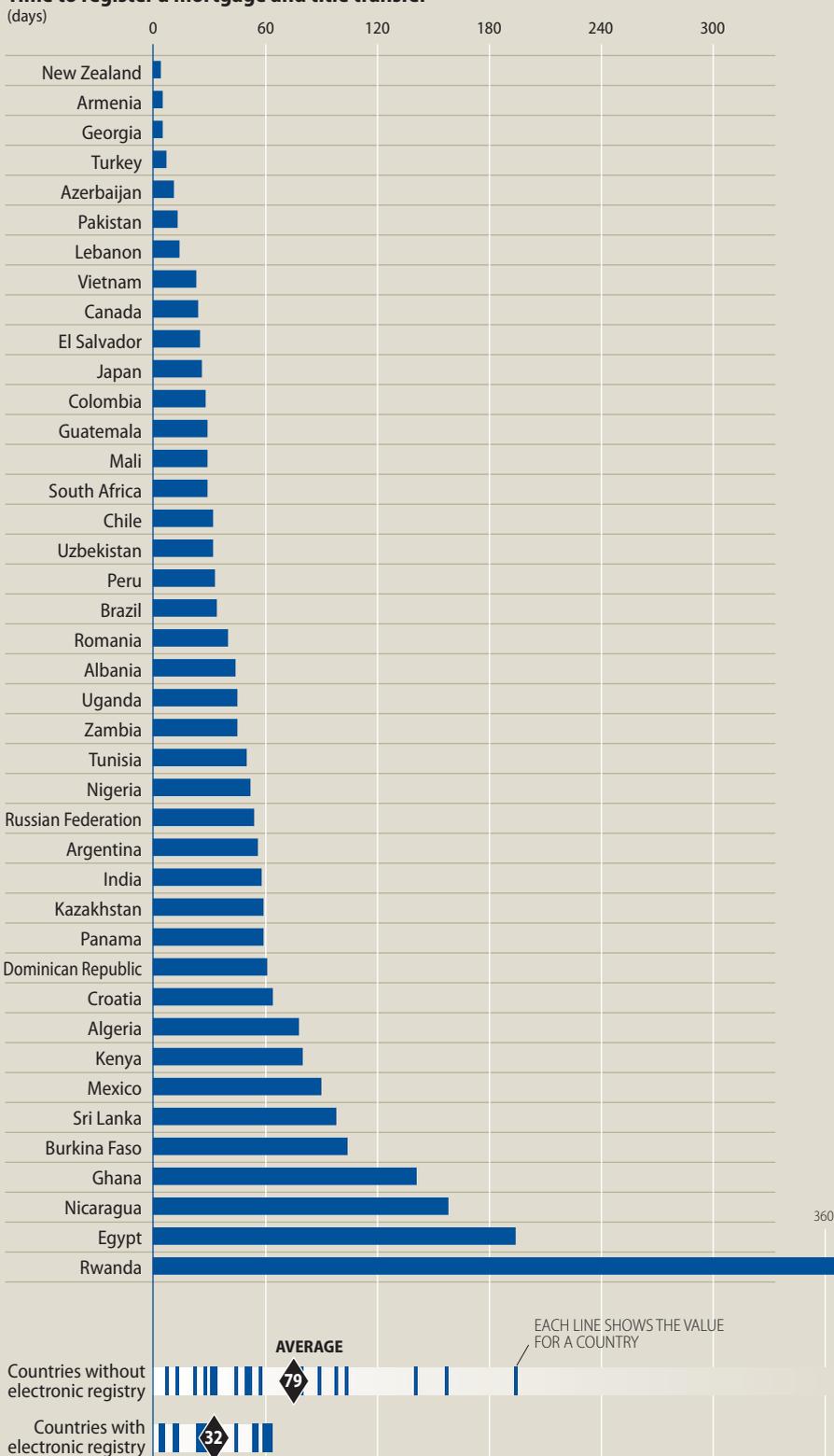
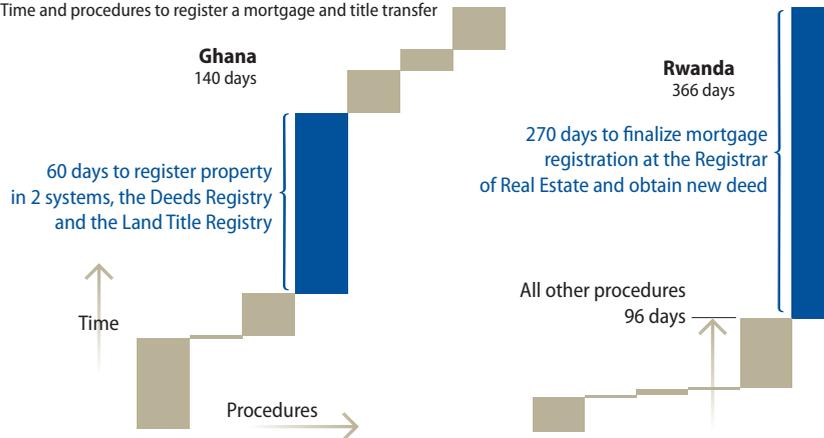
**Time to register a mortgage and title transfer**

FIGURE 2

**Big bottlenecks in the registration process**

Time and procedures to register a mortgage and title transfer



Source: Financing Homes database.

registering property and mortgages in the sample. Once it has been verified that the owner has a valid title and that the property is free from encumbrances, the sale agreement can be drafted and authenticated. With these documents and payment receipts in hand, along with a certificate of good standing from the tax authority, it is then possible to go to the registrar and register the transfer. But here's where the problem lies: there is only one registrar, and issuing a new title and registering the mortgage charge attached to it takes from 6 months to a full year (figure 2).

In Ghana, with 2 land titling systems, there is much uncertainty about the authenticity of titles. Lenders, though not required to do so, usually register property in the registries of both systems. That's what causes the delay in the registration process.

In Egypt registration is complex and cumbersome. The process requires visits to multiple agencies, and if time limits for submission are not met, the entire process must be started all over again. Real estate agents estimate that fewer than 20% of the residential properties in Greater Cairo are formally registered in the names of their current owners. The registration process takes 193 days for a typical sale transaction, and only 1 in 6 applications for registration are actually completed. For every staff member in the deeds recordation offices in Cairo,

it is estimated that only about a half dozen applications for registration are processed each year.

The main reason for the delays in Egypt? Most titles are informal. To register a conveyance and mortgage requires proving the entire intervening chain of title from the time of the last registration. In effect, each registration of a property is its first registration.

Egypt is not the only example: informal titles are widespread. In many countries they constitute the main barrier to expanding the mortgage market.

Compare New Zealand, where there is no tenure informality. There, registering a mortgage and title transfer takes only 3 steps: searching the registry to verify the title, registering and transferring the title in the registry and registering a memorandum of the mortgage against the title certificate. All this is accomplished in 3 days.

**COST TO REGISTER A MORTGAGE**

The cost to register a mortgage and title transfer is another target of reforms aimed at increasing homeownership. This cost is measured by calculating all official expenses associated with each procedure for registration. These include fees, transfer taxes, stamp duties and other payments made to public agencies as well as payments to notaries or lawyers if their participation is required by law.

The biggest fees and charges are not related to registering the mortgage itself. The fees to register a mortgage are typically minor, though once notary fees are taken into account they can be as high as 2–3% of the property value. Instead, the biggest costs are associated with the transfer of the property to be mortgaged. For this, state stamp duties and transfer taxes in the range of 7–10% of the property value are common.

Such transfer taxes can be among the main causes of informality of property tenure. Consider Lagos, Nigeria, where the cost to register a mortgage is only 0.2% of the property value, while the transfer taxes and stamp duties are 10% of that same value. Similarly, in Croatia registering a mortgage requires only a nominal fixed registration fee and moderate notary charge, but transferring the property involves a tax amounting to 5% of the property value. On average across countries, taxes and stamp duties account for 73% of the cost to register a mortgage and title transfer.

The cost of registering the property sale and mortgage transaction varies widely, ranging from a low of 0.04% of the property value in Canada and 0.08% in New Zealand to a high of nearly 19% in Nigeria (figure 3). In Guatemala the seller pays a value added tax of 12% when the title is transferred. In Brazil the costs consist of a transfer fee of 2–7% (depending on the state) and various other costs amounting to about \$2,000.

Reforms can be swift, however. In 2005 Egypt had higher costs for registering a mortgage and title transfer than Guatemala. Now its costs are among the lowest 10 in the sample, at 0.7% of the property value. Reforms in 2006 capped the mortgage registration fee at about \$360 and eliminated the property transfer tax. Before the reforms the mortgage registration fee was 3% of the property price, and on top of that the buyer had to pay a 10% transfer tax. These prohibitive costs had pushed many Egyptians into the informal sector.

Despite the inefficiencies in the registration system, the reforms have had an

effect: registrations have soared since the cost cuts. Today Egyptians register up to 3 times as many properties each year. At the new rates many purchasers prefer to register their property and gain greater ownership security.

The Nigerian state of Lagos also cut costs. In 2007 it reduced the land transfer charges (including capital gains tax and registration fees) from 30% of the property value to 19%. But this rate is still among the highest in the sample. Early estimates suggest that registrations and state revenues are increasing—but only slowly.

Some countries raise property registration fees only to reverse the policy in the face of expanding informality. In 2001, in a bid to prevent speculation, Malaysia imposed property transfer taxes of up to 40%, depending on the duration of ownership. In 2007 the government suspended the tax, acknowledging that it had resulted in a flagging real estate market.

### SIMPLICITY OF MORTGAGE REGISTRATION

Simplicity of registration of a mortgage and title transfer is captured through 2 dimensions of the process: whether notaries are involved and how easily registry information can be accessed. Fewer steps in registration tend to mean lower costs and greater speed. But many countries add steps by requiring that mortgage documents be certified by a notary. Similarly, cheap and efficient access to registry data on property ownership and encumbrances is important for lenders. But many countries restrict access or impose complicated rules and procedures, increasing costs and time and decreasing reliability.

The involvement of notaries in registration is measured by the mandatory notary index. This index reflects whether there are requirements for notaries to certify mortgage documents, to prepare such documents and to complete the registration process as well as whether their fees are legally regulated. The index

FIGURE 3

### Cost to register a mortgage and title transfer

(% of property value)

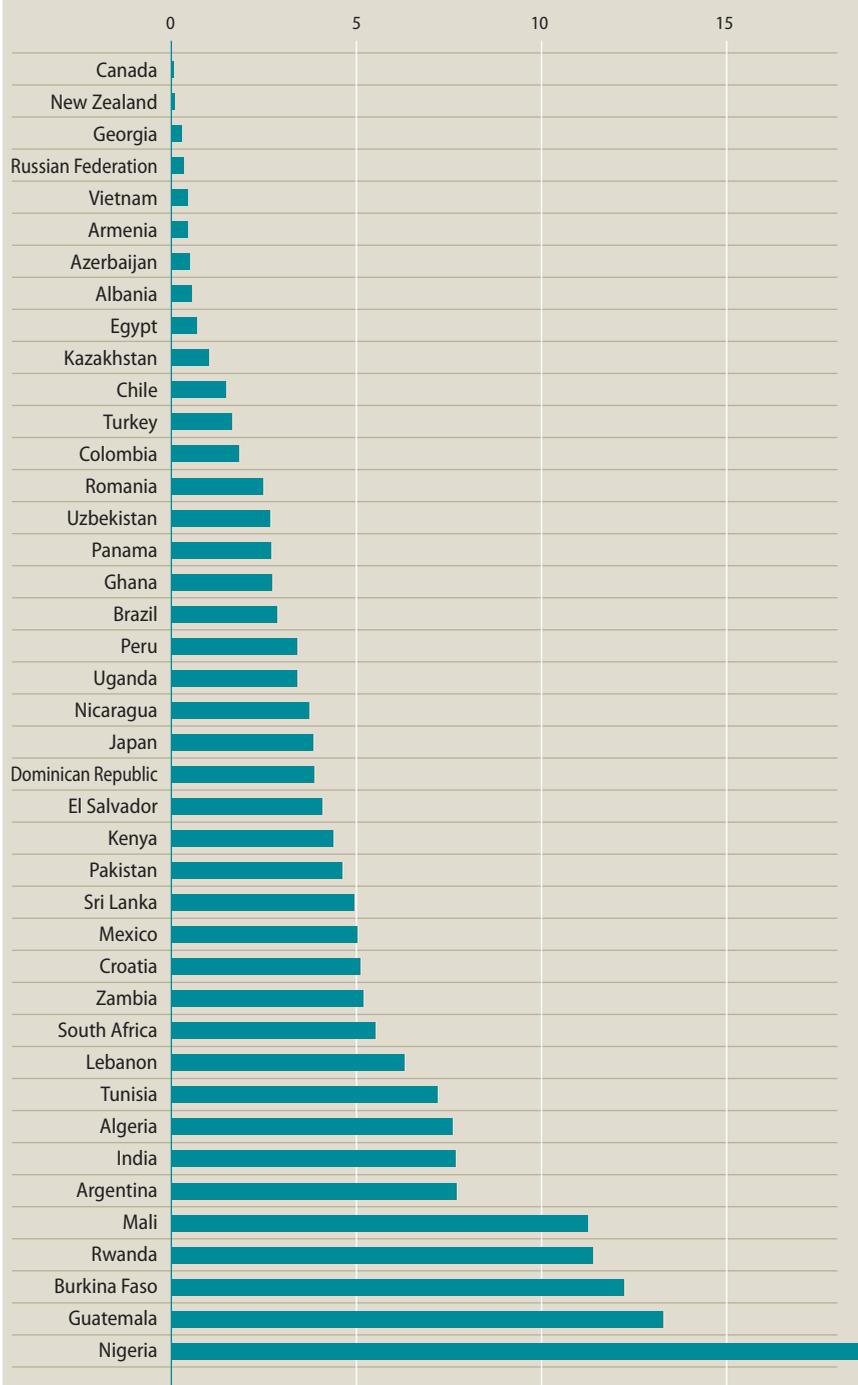
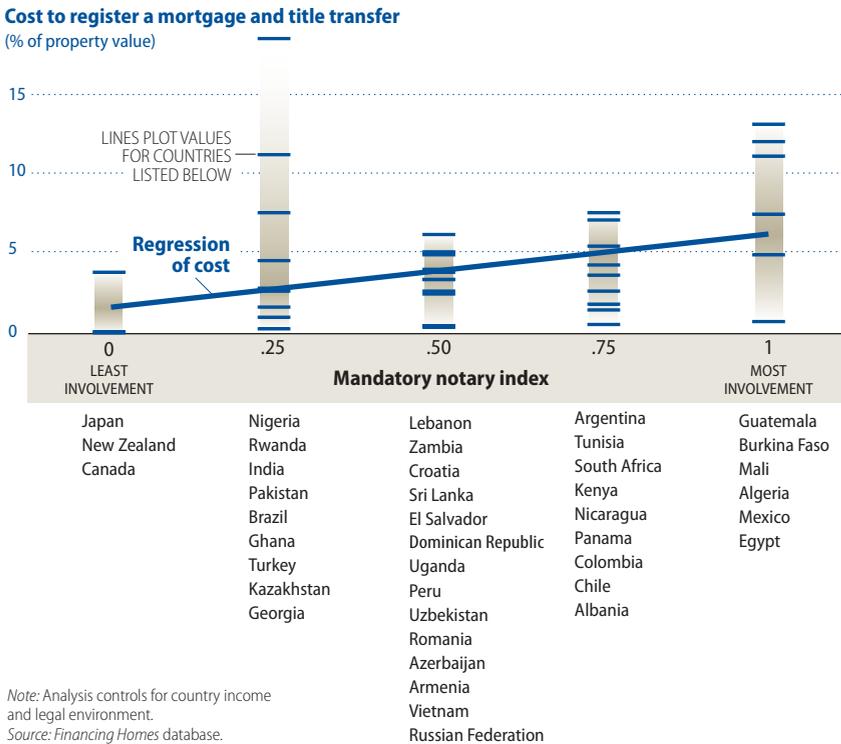


FIGURE 4  
**Greater notary involvement associated with higher cost to register**



ranges from 0 to 1, with higher values indicating higher levels of mandatory participation by notaries.

The registry inefficiency index focuses on speed, transparency, cost and accessibility. Speed is measured by the number of days to check encumbrances, transparency by whether the system is electronic, cost by the fees charged to search for encumbrances and accessibility by whether there are restrictions on access. This index also ranges from 0 to 1, with higher values indicating greater inefficiency.

What effect does involving notaries have on registration of a mortgage and title transfer? For every standard deviation increase in the mandatory notary index, the cost of registration increases by 1% (figure 4). But notaries do not necessarily slow the registration process: no significant association was found between the involvement of notaries and the time to register a mortgage and title transfer.

Inefficiency of the property registry was found to have no association with

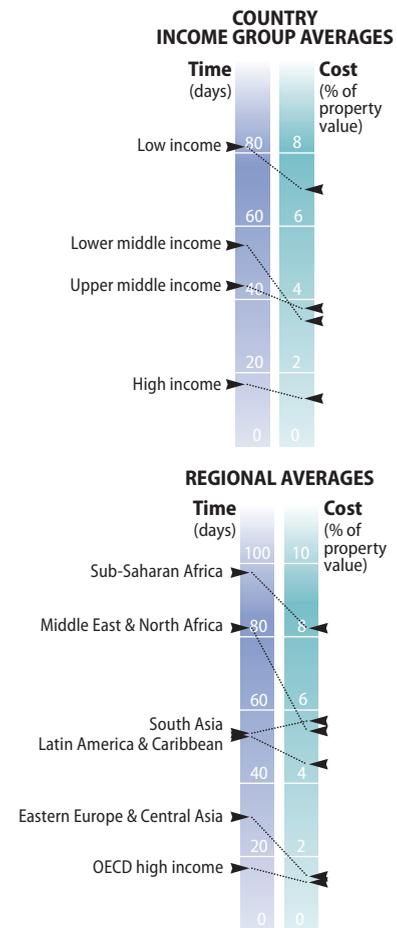
either the time or the cost to register a mortgage and title transfer. But having an electronic registry does matter: in countries with electronic systems the registration process took 26 fewer days, controlling for country income and other aspects of the legal environment.

Poor countries have more inefficient registration: the time and cost decrease as country incomes increase (figure 5). Africa emerges as the region with the most onerous and costly processes for registering mortgages.

**NOTES**

1. In many countries registration is not a legal condition of the mortgage, but only of its effectiveness against third parties who acquire an interest in the property without notice of the mortgage. This distinction is mostly academic, since creditors would not dispense with registration in any case.
2. Butler (2003).
3. This is true even if the act of submitting an application for registration is in theory sufficient to protect the creditor's priority (Butler 2003).

FIGURE 5  
**Poor countries the least efficient in registering a mortgage and title transfer**



Note: Excludes East Asia and Pacific, as data are available for only one country.  
 Source: Financing Homes database.

# Foreclosing on a property



Foreclosing on a residential property in São Paulo, Brazil, takes about 9 months. It used to take much longer. Commercial banks reported that creditors could spend up to 8 years enforcing a guaranty and recovering their assets through sale of the property. Not surprising, commercial banks had little interest in mortgage lending. Instead, housing loans were provided mainly by public financial institutions under programs sponsored by the government.

That changed in 1998, after the previous year's reform of the mortgage law. Under the old foreclosure regime (*garantia hipotecária*) the property was held in the name of the borrower. That

made it necessary to carry out foreclosure through the judicial system. Judicial foreclosure allowed borrowers much greater defenses, adding to their ability to use delaying tactics. Delays, deferrals and extensions were common.

The new law created a new mortgage contract, the fiduciary lien (*alienação fiduciária*). Under the fiduciary lien the property is registered in the names of both the borrower and the lender. That allows foreclosure out of court, reducing the time and costs (figure 6). Once a notary public verifies that the lender's claim is valid and ensures that the lender has notified the borrower and pursued every possible avenue for recovering the loan, the title is consolidated under the lender's name. The lender can then proceed immediately to a sale of the property through public auction.

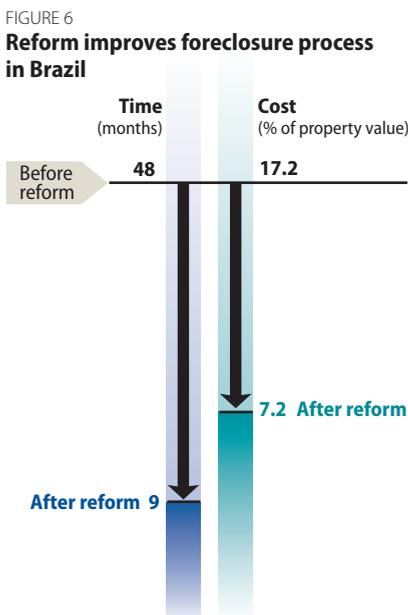
Similar reforms are needed in other countries. Ensuring that creditors are protected in the event of nonpayment is an important factor in the health of a mortgage market—and even more so when housing loans carry longer terms.

An efficient foreclosure law balances the rights of lenders and borrowers in the event of a loan default. But in some countries the law gives excessive protections to borrowers who may have fallen on hard times, and these protections can impose substantial costs on lenders. When lenders adjust for these costs, the outcome can be higher interest rates, larger down payments or credit rationing

in the overall market.<sup>1</sup>

These costly outcomes for borrowers can be avoided with faster foreclosure processes. A faster process means greater certainty in realizing collateral rights—and thus lower risks for the creditor of lost interest and principal from a collapse in the real estate market or a deterioration in the value of collateral because of vandalism or poor property maintenance. It also means lower costs—and thus greater proceeds from the sale of the home. That benefits both the creditor and the debtor. It also benefits the government, through greater tax revenue.<sup>2</sup>

## TIME AND COST OF FORECLOSURE



Source: Financing Homes database.

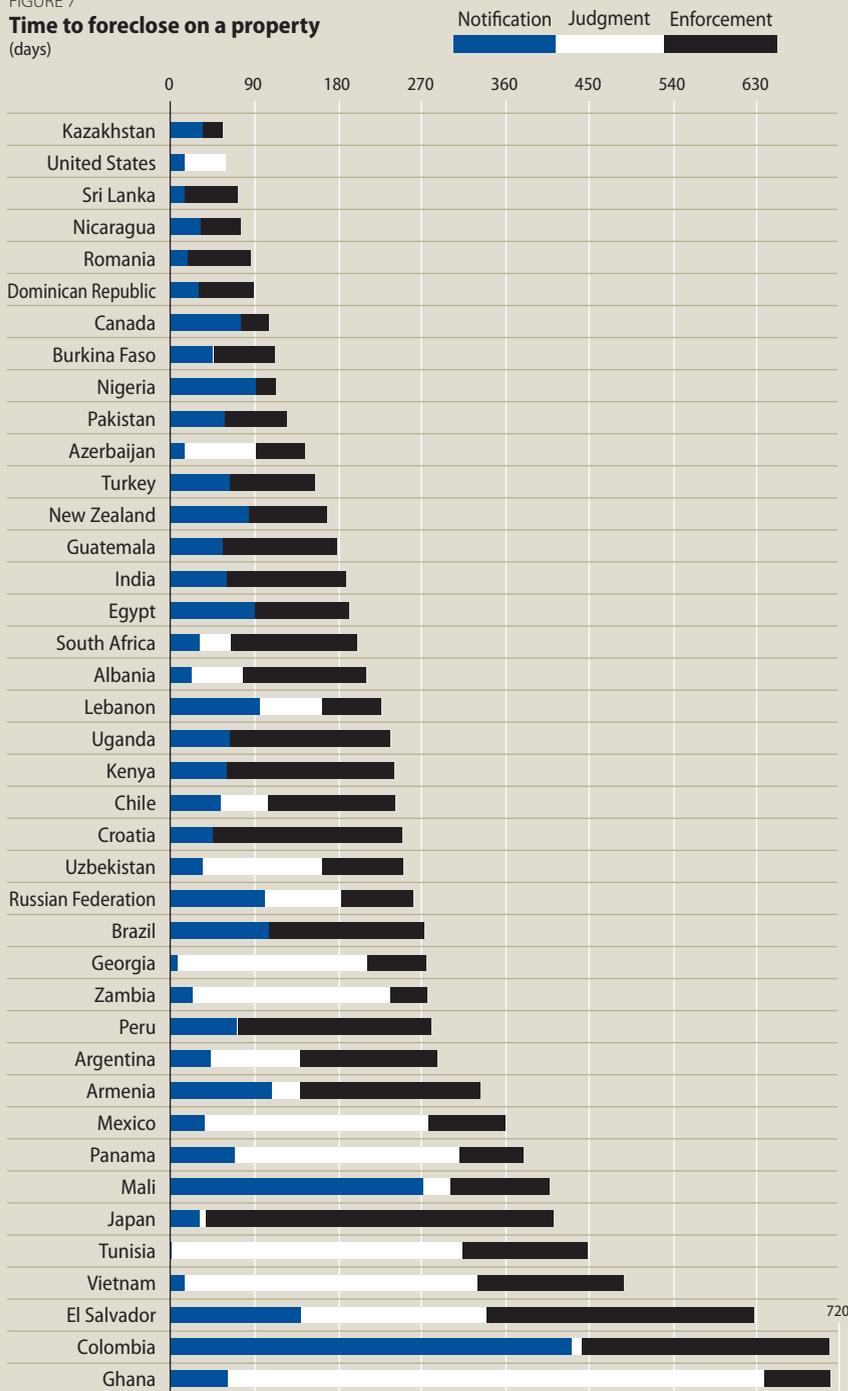
In many countries the mortgage market is still evolving, so there are few examples of lenders enforcing a mortgage. This is the case in Rwanda. In other countries the foreclosure process is cumbersome and lenders rely on workouts to avoid court proceedings. This is the case in the Russian Federation.

Variations like these can complicate comparisons of the time and cost of foreclosure. To ensure comparability across countries, the calculations of time and cost are based on several assumptions. These assumptions mean that the findings here represent a best-case scenario—the minimum time and cost possible for carrying out a foreclosure. In practice, foreclosure times are likely to be

FIGURE 7

**Time to foreclose on a property**

(days)



Source: Financing Homes database.

greater than those presented here. And costs may be higher in some countries because of bribes.

Time is calculated as the number of calendar days starting from the time the borrower receives a notice of intent to commence foreclosure proceedings until the time the lender collects on the loan. The assumption is that the borrower does not resort to unnecessary delaying tactics or exploit all appeals processes available. But if the time for an appeal is provided to the borrower before a judgment becomes effective, it is factored into the time calculations. The property is owner-occupied, and the borrower vacates it voluntarily once a judgment is reached. The property is in good condition, has maintained its market value and is sold during the first auction. Finally, all calculations are based on the system in place in the capital or most populous city; in countries with federal systems, such as Mexico and Nigeria, foreclosure processes may vary from state to state.

Across countries, the average foreclosure time is 260 days. But there is much variation. Foreclosure times range from a low of 55 days in Kazakhstan and 58 in the United States to a high of 705 days in Colombia and 706 in Ghana (figure 7).

Just as the total time to foreclose on a property varies, so does the time to complete the 3 main steps that make up the foreclosure process: notification of the borrower, judgment and enforcement of the judgment. Notification starts when the lender, a court or a notary sends written warnings to the borrower that if the debt is not paid in full within a certain period, the borrower's rights to the property will be terminated. It ends once the borrower receives official notification that the foreclosure process has begun.<sup>3</sup>

Judgment is the process by which a court rules on the existence of the debt and the right to enforce the mortgage. This process, when applicable, starts once the borrower's default on the mortgage is officially registered or declared or the case is accepted by the court. It ends when a judgment is issued. Depending

on the law, judgment may include a redemption period, when the borrower may still prevent or reverse the sale of the property by paying the debt in full, and an appeal period.

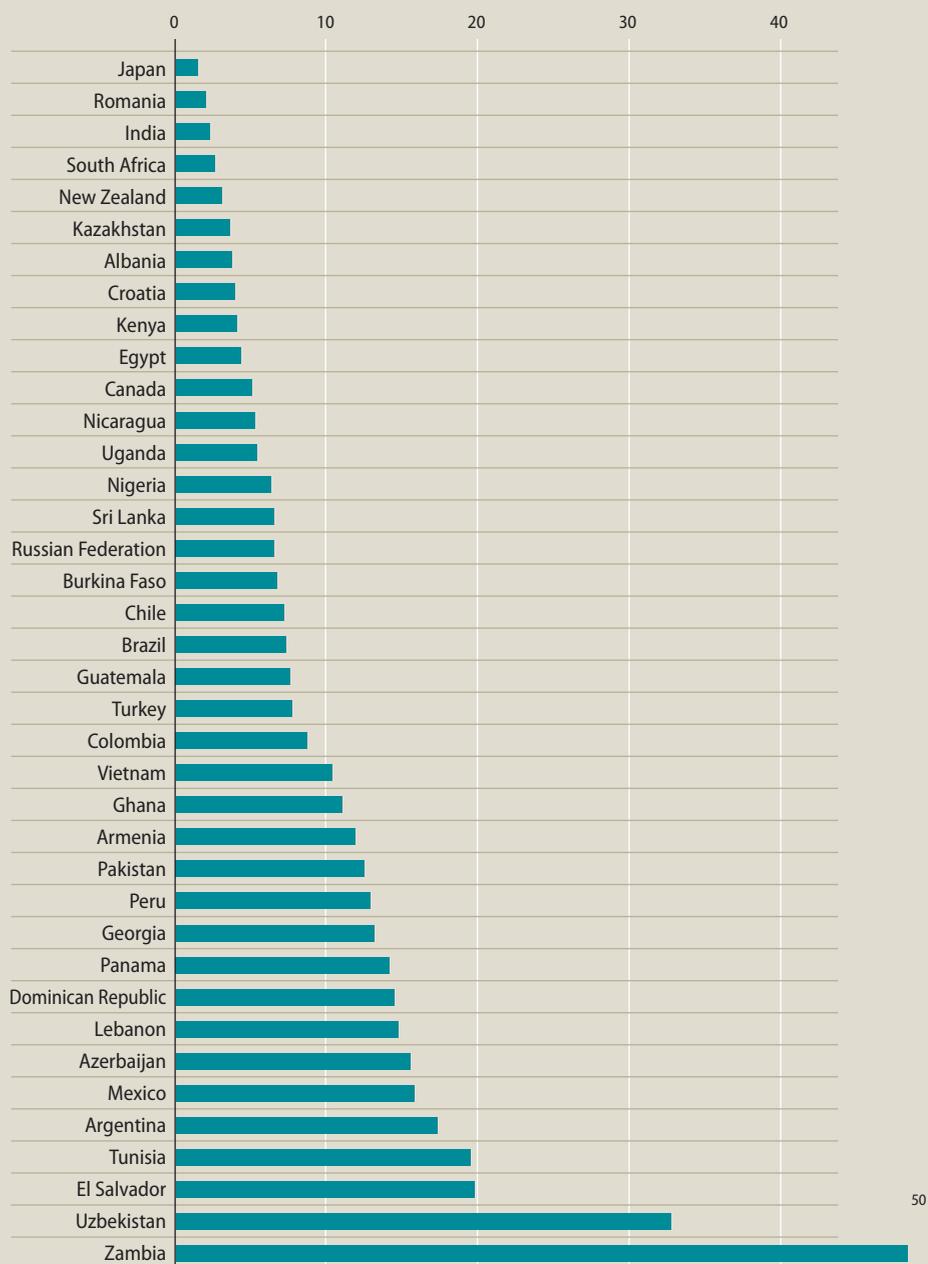
Enforcement, the process of collecting on the loan, starts from the day the judgment is issued or, in nonjudicial foreclosure, the day the borrower is notified by the lender of its intent to sell the property. Enforcement ends once the lender collects on the loan. It is assumed that the borrower does not appeal the judgment. Enforcement of the mortgage by sale of the property may entail either a public open or sealed bid auction (and any announcements or publications required beforehand) and a transfer of deed to a new owner when the property is sold. In nonjudicial enforcement systems the property may be sold by private contract between the lender and a third-party purchaser.

With a few exceptions, notification is a small part of the foreclosure process. It is the judgment and enforcement phases that are responsible for delays. The judgment phase in Ghana can take up to 575 days. Enforcement in El Salvador can take up to 286.

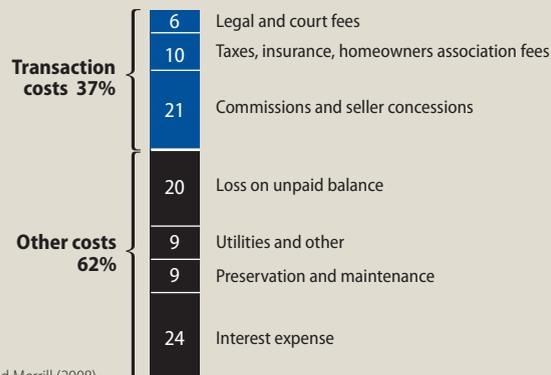
Like the time for foreclosure, the cost also varies widely, ranging from 1.4% of the property value in Japan and 1.9% in Romania to almost 48% in Zambia (figure 8).

The cost of foreclosure consists of the fees paid by the lender to obtain property foreclosure in the jurisdiction. These fees do not represent the entire cost of foreclosure. The real cost is likely to be higher, especially when processes are long. Consider the U.S. housing market. A study shows that transaction costs account for only about 37% of the total. The rest comes from interest expense, the loss on the unpaid balance of the loan, utilities and preservation and maintenance.

FIGURE 8  
**Cost to foreclose on a property**  
(% of property value)



**Foreclosure costs to a mortgage investor in the United States**  
(average, % of property value)



Source: Financing Homes database; Cutts and Merrill (2008).

## JUDICIAL OR NONJUDICIAL?

Seema purchased a newly constructed 3-bedroom apartment in Karachi in 2003. She paid 24 monthly installments to the builder as agreed, then got a mortgage from House Building Finance Corporation (HBFC) to make the final payment. Seema's husband, a salaried employee, served as the guarantor of his wife's loan. He signed the letter of guarantee and accepted liability for repaying the loan. He paid regular installments for several years but then lost his job and defaulted.

The case was referred to HBFC's recovery department for action. The recovery officer served a notice on Seema and contacted her personally, but she did not pay the arrears. Finally, the recovery officer sent the case to the legal department, reporting that the borrower was unwilling to pay because of a family dispute and had lost interest in the property. Foreclosure was imminent.

Before 2001 HBFC would have had to go through a cumbersome legal process to enforce the security through foreclosure. Recovery suits against a defaulter had to be filed through the judicial system, which meant navigating a legal process that normally took about 5 years.

But a new recovery law that took effect in 2001 gave creditors the right to auction property in default after serving 3 notices on the borrower through public advertisement, without ever entering the court system. Completing the sale of property in default now takes about 4 months on average. If the defaulter files a legal complaint against the foreclosure, the courts will review it.

Because Seema defaulted after the legal reform of 2001, HBFC was able to file a recovery suit and obtain a decree within 6 months. HBFC then auctioned the property without intervention of the court. The proceeds were used to repay HBFC and to cover the costs Seema and her husband incurred in making the early installments.

This example shows that one fac-

tor in the time and cost to foreclose is whether judicial foreclosure is required. A requirement of judicial foreclosure, as in Ghana or Mexico, means that a creditor cannot sell collateral without first going through the courts—to obtain a court judgment on the debt and an order of execution. That can raise lenders' foreclosure costs by as much as 10% of the loan balance and add up to 5 months to the time on average.<sup>4</sup> A study of the U.S. market finds that houses in foreclosure sell for 4% less in states that require judicial foreclosure than in those that do not, presumably because of greater deterioration of the property during the longer process.<sup>5</sup> This report finds similar patterns, with even stronger associations.

One alternative to judicial foreclosure is a nonjudicial process that gives the creditor the power to sell the pledged property without court intervention. Under a power-of-sale procedure a creditor may proceed directly to sale of the property, by auction or private transaction, after a notice to the debtor. In practical terms the power of sale relieves the creditor of the burden of going to court and presenting a case. It instead places this burden on the debtor, who can go to court to stop the sale of the property. In this case the debtor has the burden of proof.

In another alternative, this one in

judicial foreclosure, the judicial proceedings are a formality, as in the summary proceedings of Brazil and South Africa. A summary proceeding is typically what happens when a creditor skips the judgment phase of an action and applies directly for an order of execution against the property. This can be done by presenting a simple case by affidavit, with or without the debtor appearing. Summary proceedings place a greater burden on the debtor to stop the sale of the property. But they can be converted into full-fledged judicial proceedings by lodging permitted defenses. Often the availability of a summary proceeding hinges on the existence of a loan agreement or similar document that does away with the need to prove the debt.

All 3 variations exist in the countries in the sample, with clear differences in outcomes (table 1). In countries with judicial procedures, foreclosing on a property takes 415 days on average (figure 9). In those allowing summary proceedings, the average is 200 days. And in countries with nonjudicial procedures, foreclosure takes only 139 days on average.

Splitting the sample into 2 groups rather than 3 shows a statistically significant association between nonjudicial procedures and shorter foreclosure time. This result holds whether the comparison is between countries allowing nonjudi-

TABLE 1

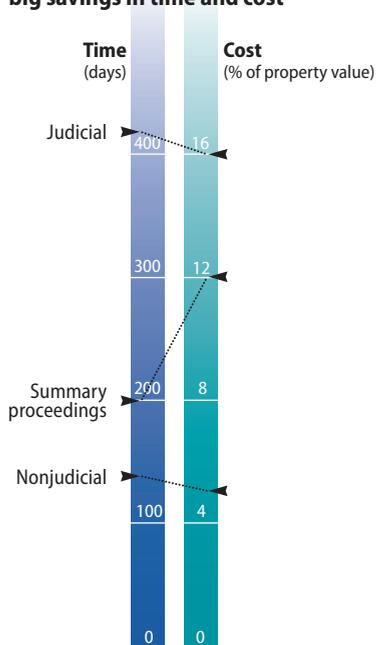
### Countries by type of foreclosure procedure

Judicial	Summary proceedings	Nonjudicial
Albania	Argentina	Canada
Armenia	Azerbaijan	India
Colombia	Brazil	Kazakhstan
El Salvador	Burkina Faso	Kenya
Ghana	Chile	New Zealand
Japan	Croatia	Nigeria
Lebanon	Dominican Republic	Pakistan
Mali	Egypt	Romania
Mexico	Georgia	Sri Lanka
Panama	Guatemala	Uganda
Tunisia	Nicaragua	
Uzbekistan	Peru	
Vietnam	Russian Federation	
Zambia	South Africa	
	Turkey	

Note: The laws of Vietnam and Azerbaijan provide power of sale for lenders, but few attempt private sale. The 2 countries are therefore categorized as judicial or summary proceeding jurisdictions.

Source: *Financing Homes* database.

FIGURE 9  
**Nonjudicial procedures bring big savings in time and cost**



Source: Financing Homes database.

cial or summary proceedings and those with judicial procedures—or between countries with strictly nonjudicial procedures and those with judicial (including summary) proceedings.<sup>6</sup>

Similar differences emerge for the cost of foreclosure. In judicial procedures the cost averages 16.1% of the property value; in summary proceedings, 8.7%; and in strictly nonjudicial procedures, 5%. The difference in cost is driven mainly by lawyer fees. On average, lawyer fees amount to 8.7% of the property value in judicial procedures, but only 5.7% in summary proceedings and 1.0% in nonjudicial procedures.

Judicial processes are kept in place mainly to protect borrowers from abusive practices by lenders. But there is little evidence that court involvement is necessary to do so. Conversely, there is evidence that the long foreclosure times associated with judicial procedures reduce the chances that borrowers will keep their home.<sup>7</sup>

Borrower protections can be built into nonjudicial procedures through power-of-sale regulations and rights of appeal. Power-of-sale regulations often

include detailed rules on the organization and advertising of the sale, notice to interested parties, minimum sale price and distribution of sale proceeds. Some laws make creditors explicitly liable to the debtor for any difference between the sale price and the fair market value of the property. Others prohibit creditors from collecting deficiency judgments from debtors if the property is sold below market value. And few if any nonjudicial procedures prevent debtors from stopping a nonjudicial process by lodging an objection with a court of first instance. Moreover, moving foreclosure out of the courts can relieve court backlogs. In many countries debt collection accounts for a large share of court cases.<sup>8</sup>

Rapid processes for foreclosure that are well defined and that balance the rights of creditors and debtors should be the objective of any meaningful reform. This report's evidence (and evidence from several developed economies) suggests that nonjudicial foreclosure can achieve this objective.<sup>9</sup> But other mechanisms potentially could as well, such as a system of specialized commercial courts or training for judges enabling them to process cases much faster. But commercial courts and judicial training programs are not a subject of the data collection exercise for this report, and judging their effectiveness goes beyond its scope.

## ENFORCEMENT MECHANISMS

Another aspect of the foreclosure process is the mechanism for enforcing the security—or liquidating the property. A public auction is often required for the sale, and in many jurisdictions a minimum price is set by the court, by agreement of the parties or by the auctioneer subject to the approval of the court or the parties. This is to ensure transparency in the process for liquidating the property and to protect the debtor from possible abuse by the creditor.

Whether requiring a public auction fulfills these objectives is debatable. Evidence in developed mortgage markets suggests that participation in auction

sales is limited to professional speculators seeking bargains. Auction prices rarely exceed the established starting price or the debtor's outstanding obligations.

There are no detailed data for analyzing property sales and public auction requirements.<sup>10</sup> But it is possible to study the effect of the public auction requirement on the cost of foreclosure and the depth of the mortgage market in the sample of 42 countries. The findings? Public auctions are associated with higher foreclosure costs and thinner mortgage markets. Indeed, requiring a public auction—rather than allowing a sale by private treaty—increases the cost of foreclosure by 6%.

## NOTES

1. Pence (2006).
2. Butler (2003).
3. In most countries the notice of intent to foreclose is preceded by a prior notice, also required by law, notifying the debtor of the default and requesting that the account be brought current. Only upon lack of response to this default notice is the notice of intent to foreclose issued. The time for the default notice, which can be as long as 15–30 days, is not considered in these calculations. A main difference between a default notice and a notice of intent to foreclose is that the first usually holds out the possibility of bringing the account current while the second typically accelerates the loan and demands payment in full.
4. See, for example, Pence (2006).
5. Pennington-Cross (2003).
6. When the sample is divided into 3 groups (countries with judicial procedures, those with summary proceedings and those with nonjudicial procedures), there are too few observations to produce statistically significant results.
7. Cutts and Merrill (2008).
8. Fleisig, Safavian and de la Peña (2006).
9. Pence (2006), Pennington-Cross (2003) and Cutts and Merrill (2008).
10. Respondents were asked when estimating time for foreclosure to assume that the property is sold during the first auction. But there are no reliable data on how many sales are actually closed during the first auction. This assumption is likely to lead to underestimation of the true time for foreclosure.

# Effects on housing markets

Determining which attributes of mortgage registration and foreclosure help increase housing finance is a worthwhile analysis. The depth of housing finance is not the same as access to housing. Access to housing is the direct measure of success. But the data for this are not widely available.

An indirect measure of the depth of housing finance is the share of households with access to housing finance products.<sup>1</sup> But these data are available for only a few countries. The next-best indirect measure is mortgage debt outstanding relative to a country's income.<sup>2</sup> These data exist for 34 of the 42 sample countries.

In New Zealand and the United States mortgage debt amounts to around 80% of GDP (figure 10). In Egypt it amounts to less than 1%. The average for rich countries is 60%; the average for low- and middle-income countries, 6%.

The size of the housing finance market in a country depends on many economic characteristics, including land rights, income distribution, macroeconomic stability, financial market depth, urban planning policies and the availability of other sources of long-term financing. The analysis here is more modest. It correlates aspects of the mortgage registration and foreclosure processes with housing finance. The analysis controls for country income and for the overall strength of the legal environment, proxied by the strength of legal rights.<sup>3</sup>

The results show that the amount of housing finance, measured by mortgage debt outstanding relative to GDP, is linked to several features of the regulatory environment. Simplicity of processes (as measured by the mandatory notary index) has a significant positive association with the size of the mortgage market. The time it takes to complete these processes, however, is not strongly associated with the market's size.

Higher lawyer fees for foreclosure are linked with smaller mortgage markets (figure 11). As the lawyer fees required for foreclosure increase by one standard deviation, the size of the mortgage market decreases by 4%.<sup>4</sup> In Pakistan lawyer fees for foreclosure are more than twice income per capita. So the recent reform making nonjudicial foreclosure an option has a big potential payoff: an increase in mortgage lending from less than 1% of GDP to 4.5%.

High registration fees and high stamp duties and transfer taxes on property transfers similarly appear to have a dampening effect on the mortgage market. For every \$1,000 increase in these costs, mortgage debt outstanding decreases by nearly 5%.

More bureaucracy is also linked with less housing finance. There is a strong negative association between the mandatory notary index and the size of the mortgage market.<sup>5</sup> Take the examples of Guatemala and El Salvador. Guatemala scores the maximum on the mandatory notary index (1, indicating more bureaucracy), while El Salvador scores at the mean (.5). The 2 countries have similar income levels. But in Guatemala mortgage debt outstanding is 1.8% of GDP,

while in El Salvador it is 10%. Simple regression analysis suggests that if Guatemala had a level of notary involvement similar to that in El Salvador, its mortgage debt could potentially increase to about 8% of GDP.

Switching from a judicial to a nonjudicial procedure could increase the depth of the mortgage market by 12%. Putting in place summary proceedings to limit (but still maintain) judicial intervention could also expand the mortgage market. But requiring a public auction rather than allowing a private sale by the lender has the opposite effect: it is associated with 7.6% less mortgage debt relative to country income.<sup>6</sup>

## NOTES

1. Warnock and Warnock (2007).
2. See the data notes for sources.
3. The data on the strength of legal rights come from Djankov, McLiesh and Shleifer (2007). Legal rights are measured by an index composed of 10 categories, 7 of which center on collateral laws and 3 on bankruptcy laws.
4. This finding holds for lawyer fees normalized by income per capita or property value. The 4% figure is based on point estimates for the former.
5. Notaries can potentially play a useful role in the registration process by providing advice on contracts and processes, particularly helpful for consumers with poor knowledge of finance or the law. In addition, they can initiate a title search at the registry and act as guarantors of its result. But this function can also be provided by mortgage title insurance, such as in the United States.
6. Since the right of private sale tends to be associated with nonjudicial foreclosure, the analysis here controls for the type of procedure.

FIGURE 10  
**Mortgage debt outstanding**  
(% of GDP)

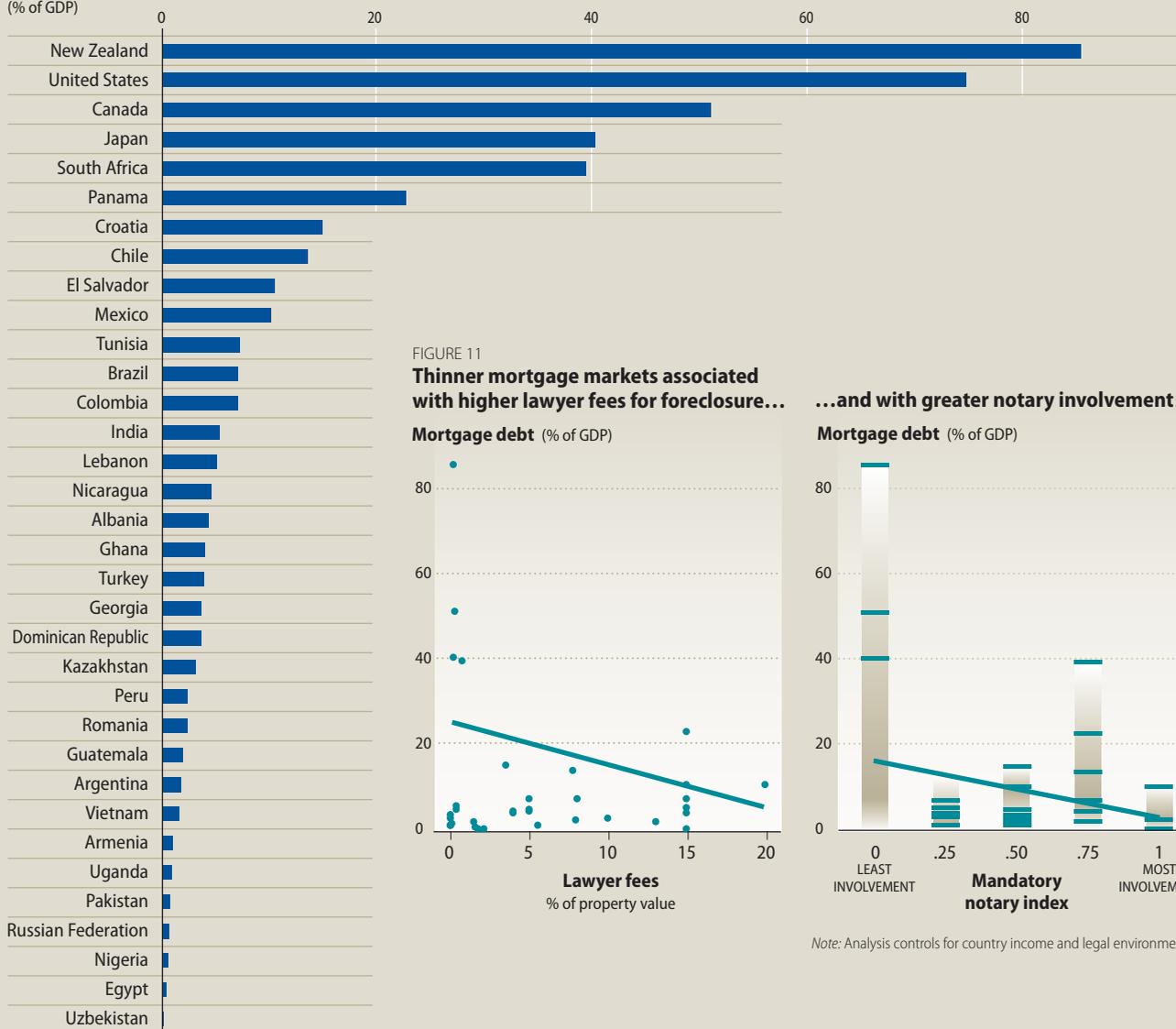
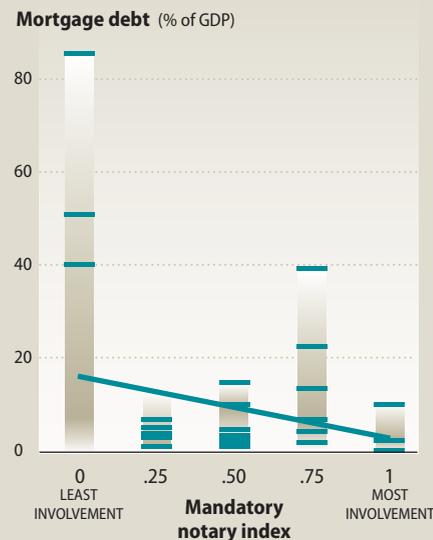


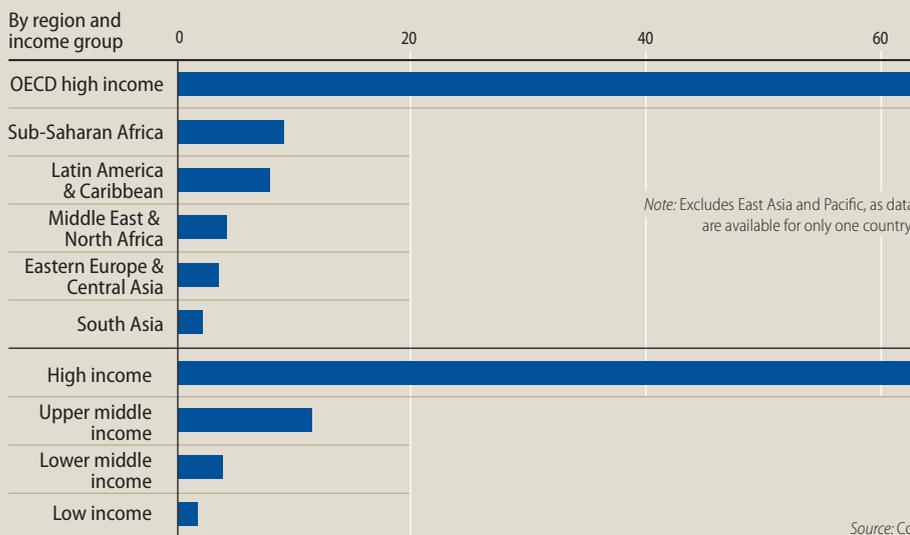
FIGURE 11  
**Thinner mortgage markets associated with higher lawyer fees for foreclosure...**  
**Mortgage debt (% of GDP)**



**...and with greater notary involvement**  
**Mortgage debt (% of GDP)**



Note: Analysis controls for country income and legal environment.



Source: Country sources (see the data notes); Financing Homes database.

# How to reform

The development of mortgage markets varies greatly across countries. Regulations that increase the cost of registering and enforcing a mortgage play a big part in this.

The findings on mortgage registration suggest wide scope for improvement. When registering a property sale and mortgage transaction takes a year, as it does in Rwanda—or when registering a property costs more than 10% of its value, as it does in Guatemala, Burkina Faso, Rwanda and Mali—reformers might look to other countries for ways to improve regulation.

Country-specific bottlenecks often explain the time and cost of processes. But some cross-country patterns also explain the inefficiency. Involving notaries tends to increase the cost of registering a mortgage. The absence of an electronic registration system tends to increase the time required.

But reform may be difficult. Eliminating the participation of notaries in registration would be politically problematic given the strong vested interests. Instead, reforms could simply allow any licensed attorney to certify conveyances and mortgage documents. Or they could allow documents to be certified directly at the registry by registry officials. In Vietnam local government officials are authorized by law to certify property purchase and sale agreements. Georgia has a similar system.

One important obstacle to develop-

ing mortgage markets in many countries is tenure informality and outdated title records. Since mortgages are applied only to legal titles, lack of title reduces the amount of housing finance. It also greatly extends the time to complete a transaction, because the mortgage can be registered only after “first registration” of the property, a difficult and time-consuming process even in developed systems.

Countries have tackled this issue in creative ways. The Russian Federation’s regulation allowing a notation of mortgage in a purchase and sale agreement has avoided the need to register a legal mortgage. Azerbaijan introduced the “mixed agreement,” a tripartite agreement between seller, purchaser and mortgage provider that allows simultaneous registration of sale and mortgage. Other countries have established a mortgage priority that’s linked to the date of the application, not the actual registration.

Mortgage markets decrease in size with higher fees and charges for property transactions. But even with notary fees included, mortgage registration fees are typically far smaller than stamp duties or taxes imposed on the transfer of a property. These account for more than 70% of all registration costs. High transfer duties and taxes encourage informal titles, which can’t be mortgaged, and reduce property turnover in the market, lessening the amount of mortgage lending.

Proposals to lower property transfer taxes can be accompanied by efforts to

increase alternative taxes that are less distorting. One option is recurring ad valorem taxation of real property, which is harder to avoid and spreads the tax burden over a larger universe of owners.

Shortening foreclosure times is another way to expand mortgage lending. The findings in this report corroborate other empirical analysis on developed countries: nonjudicial procedures mean shorter foreclosure times and lower costs for the creditor and the debtor. And removing the requirement of sale by public auction speeds foreclosure.

Recent mortgage reforms in Pakistan and Turkey have focused mainly on appeal rights, such as requiring debtors to post bigger appeal bonds (sureties) and increasing courts’ discretion to impose costs on parties bringing groundless appeals. Reforms in many countries have gone in the direction of defining more clearly a creditor’s prima facie case for proving the right to foreclose; narrowing and clearly defining allowable objections to foreclosure and the grounds on which execution and nonjudicial proceedings may be stopped or delayed; and imposing appropriate costs on debtors (and their attorneys) who seek to manipulate the appeals process for the purpose of delay.

Many rich countries have moved toward negotiated market sales, jointly undertaken by the creditor and borrower—estimated to produce better results for the borrower. Such reforms may be possible in developing countries too.

# Data notes

Two sets of indicators are presented and analyzed in this report. Those in the first set measure the time and cost associated with registering a residential property and the mortgage charge contracted for its purchase. In addition, 2 indices are constructed to measure the simplicity of the process: the mandatory notary index and the registry inefficiency index. The indicators in the second set measure the time and cost associated with foreclosing

on a property when the borrower fails to ensure loan repayments. The data for both sets of indicators were collected in March–November 2007, with respondents asked to provide data for the previous calendar year.

## METHODOLOGY

The data were collected in a standardized way. A survey was developed using a simple case study to ensure comparability across countries and over time—with assumptions about the property, its size, its location and its value. The survey was administered to more than 150 local experts, including lawyers, consultants, government officials, in-house legal counsel of commercial and government banks and other professionals routinely administering or advising on legal and regulatory requirements.

These experts had several rounds of interaction, involving conference calls and written correspondence, with the *Financing Homes* team. The data from the survey have been subjected to numerous

tests for robustness, leading to revisions or expansions of the information collected.

The methodology offers several advantages. It is transparent, using factual information about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue, as the texts of the relevant laws and regulations are collected and answers checked for accuracy.

The methodology is inexpensive and easily replicable, so data can be collected in a large sample of countries. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across countries. And the data not only highlight some of the obstacles to mortgage finance but also help identify their source, supporting policy makers in designing reform.

The methodology has 3 limitations that should be considered when interpreting the data. First, the collected data refer to residential property in the country's capital or most populous city and may not be representative of regulation in other parts of the country. Second, transactions described in the standardized case study refer to a specific set of issues and may not represent the full set of issues individuals and credit institutions encounter. Third, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported represent the median values of several responses given under the assumptions of the case study. In practice, completing a procedure may take longer if the agents involved in registration or foreclosure lack information or are unable to follow up promptly.

**Mortgage debt** *Financing Homes* reports 2006 data for mortgage debt as a percentage of GDP. Data for mortgage debt are from the *Financing Homes* database; the European Mortgage Federation; the Finance and Bank Superintendence of Chile; the Finance Superintendence of Colombia; the bank superintendences of the Dominican Republic, El Salvador and Guatemala; and the central banks of Albania, Argentina, Armenia, Brazil, Canada, Croatia, El Salvador, Georgia, Ghana, India, Japan, Kazakhstan, Lebanon, Mexico, New Zealand, Nicaragua, Pakistan, Peru, South Africa, Tunisia and the United States. Data for GDP at current prices (in local currency units) are from the World Bank's Development Data Platform database.

**Gross national income (GNI) per capita** *Financing Homes* reports 2006 income per capita as published in the World Bank's *World Development Indicators 2007*. Income is calculated using the Atlas method (current US\$). For costs expressed as a percentage of income per capita, 2006 GNI in local currency units is used as the denominator.

**Region and income group** *Financing Homes* uses the World Bank regional and income group classifications, available at <http://www.worldbank.org/data/countryclass>.

**Public credit registry coverage** The public credit registry coverage indicator reports the number of individuals and firms listed in a public credit registry with information on repayment history, unpaid debts or credit outstanding from the past 5 years. The number is expressed as a percentage of the adult population. A public credit registry is defined as a database managed by the public sector, usually by the central bank or the superintendent of banks, that collects information on the creditworthiness of borrowers (persons or businesses) in the financial system and makes it available to financial institutions. If no public registry operates, the coverage value is 0.

**Private credit bureau coverage** The private credit bureau coverage indicator reports the number of individuals and firms listed by a private credit bureau with information on repayment history, unpaid debts or credit outstanding from the past 5 years. The number is expressed as a percentage of the adult population. A private credit bureau is defined as a private firm or nonprofit organization that maintains a database on the creditworthiness of borrowers (persons or businesses) in the financial system and facilitates the exchange of credit information among banks and financial institutions. Credit investigative bureaus and credit reporting firms that do not directly facilitate information exchange among banks and other financial institutions are not considered. If no private bureau operates, the coverage value is 0.

## REGISTERING A MORTGAGE AND TITLE TRANSFER

The study records the full sequence of procedures necessary when an individual purchases land and a house—with the help of a mortgage loan—to register the transfer of the property title from another individual as well as to register the mortgage charge attached to it. Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller, buyer or lender or must be completed by a third party on their behalf. Local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them.

To make the data comparable across countries, several assumptions about the parties to the property transaction, the property and the procedures are used.

### ASSUMPTIONS ABOUT THE PARTIES (BUYER AND SELLER)

The parties:

- Are individuals.
- Are located in an urban area of the country's capital or most populous city.

### ASSUMPTIONS ABOUT THE PROPERTY

The property:

- Is fully owned by an individual.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is adequately measured and filed in the cadastre, registered in the land registry and free of title disputes.
- Is located in an urban residential zone.
- Consists of land and a house. No renovations or additions are required. The house is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. The property will be transferred in its entirety.

- Will not be subject to renovations or additional building following the purchase.

### ASSUMPTIONS ABOUT THE MORTGAGE LOAN

- The down payment amounts to 20% of the property value.
- The mortgage loan amounts to the remaining 80% of the property value.
- The loan is obtained through the major domestic mortgage institution in the country.
- The mortgage loan is repayable over a period of 15 years.

### TIME

Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day. It is assumed that the parties involved do not waste time and commit to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of the general public is chosen. It is assumed that all parties to the transaction follow the fastest legal option available and do not employ an outside facilitator to complete procedures unless required by law to do so. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all regulations and their sequence from the beginning. Time spent on gathering information is not considered.

### COST

Cost is recorded as a percentage of the property value. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. If cost estimates differ among sources, the median reported value is used.

### MANDATORY NOTARY INDEX

The mandatory notary index measures the involvement of notaries in registration. The index is constructed from 4 questions in the survey:

- Whether it is mandatory to have documents notarized before registering the mortgage.
- Whether it is mandatory for a notary to prepare legal documents to be presented in the registrar's office.
- Whether it is mandatory to hire a notary or a lawyer to conduct all the necessary steps required for mortgage registration.
- Whether notary fees are regulated.

The index ranges from 0 to 1, with higher values indicating higher levels of mandatory participation by notaries.

### REGISTRY INEFFICIENCY INDEX

The registry inefficiency index measures speed, transparency, cost and accessibility. The index is constructed from 4 questions in the survey:

- How many days it takes to search the registry to determine whether the title is subject to a registered mortgage (normalized between values of 0 and 1).
- Whether the registry records are electronic.
- What fee is required to search the registry (in U.S. dollars, normalized between values of 0 and 1).
- Whether there are restrictions on who can access the registry.

The index ranges from 0 to 1, with higher values indicating greater inefficiency.

## FORECLOSING ON A PROPERTY

To construct data on foreclosing on a property, the study follows the step-by-step evolution of a mortgage loan dispute, computing time and cost. The time and cost indicators measure the efficiency of the judicial system—or, if the system is nonjudicial, of the out-of-court enforcement procedures—in resolving mortgage disputes. The data are collected through study of the codes of civil procedure and other court regulations as well as a survey completed by local litigation lawyers, notaries and in-house legal counsel of commercial and state banks.

### ASSUMPTIONS ABOUT THE CASE

To ensure comparability across countries, the following assumptions are used:

- The value of the mortgage is equal to the current market value of the property.
- The foreclosure process begins when the borrower receives a notice of intent to commence foreclosure proceedings. The delinquency time that must pass before the lender is allowed to initiate foreclosure is not recorded, even if determined in the law.

- The borrower is docile and shows good faith, recognizing his failure to service the mortgage debt and accepting the process without using delaying tactics.
- The borrower is therefore easy to locate and is assumed to receive notification on the first attempt.
- The borrower does not exercise his right to appeal judicial decisions. But whenever time is allocated to allow for an appeal (statutory deadlines), this time is recorded.
- The borrower vacates the premises voluntarily once a judgment has been reached and thus need not be evicted.
- The lender takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of the borrower's immovable asset.
- The property is sold during the first auction.

### TIME

Time is recorded in calendar days, counted from the moment the borrower receives a notice of intent to commence foreclosure proceedings until payment. This includes both the days when actions take place and the waiting peri-

ods between actions. The respondents make separate estimates of the average duration of the 3 steps that make up the foreclosure process: notification of the borrower, judgment (time for the trial and obtaining the judgment) and enforcement of the judgment. The measure captures the median duration that litigation lawyers, in-house legal counsel of banks and other contributors indicate is necessary to complete each step of the foreclosure process. It is assumed that the parties do not waste time and commit to completing each step without delay. The fastest legal procedure available that is used by the majority of the general public is chosen. If steps can be undertaken simultaneously, it is assumed that they are.

### COST

Cost is recorded as a percentage of the property value. Only official costs required by law are recorded, including court costs, stamp duties, bailiff fees, expert fees, lawyer fees, notary fees, auction fees and enforcement fees.

## References

- Buckley, Robert M., and Jerry Kalarickal. 2005. "Housing Policy in Developing Countries: Conjectures and Refutations." *World Bank Research Observer* 20 (2): 233–57.
- Butler, Stephen. 2003. "Housing Finance in Emerging Markets: Policy and Regulatory Challenges." World Bank Institute, Washington, DC. <http://rru.worldbank.org/PapersLinks/Open.aspx?id=7799>.
- Cutts, Amy Crews, and William A. Merrill. 2008. "Interventions in Mortgage Default: Policies and Practices to Prevent Home Loss and Lower Costs." Joint Center for Housing Studies, Harvard University, Cambridge, MA.
- de Soto, Hernando. 2003. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books.
- Djankov, Simeon, Caralee McLeish and Andrei Shleifer. 2007. "Private Credit in 129 Countries." *Journal of Financial Economics* 84 (2): 299–329.
- Fleisig, Heywood, Mehnaz Safavian and Nuria de la Peña. 2006. *Reforming Collateral Laws to Expand Access to Finance*. Washington, DC: World Bank.
- Pence, Karen M. 2006. "Foreclosing on Opportunity: State Laws and Mortgage Credit." *Review of Economics and Statistics* 88 (1): 177–82.
- Pennington-Cross, Anthony. 2003. "Subprime and Prime Mortgages: Loss Distributions." OFHEO Working Paper 03-01, Office of Federal Housing Enterprise Oversight, Washington, DC.
- Sanders, Anthony B. 2005. "Barriers to Homeownership and Housing Quality: The Impact of the International Mortgage Market." *Journal of Housing Economics* 14 (3): 147–52.
- Warnock, Veronica Caccac, and Francis E. Warnock. 2007. *Markets and Housing Finance*. NBER Working Paper 13081. Cambridge, MA: National Bureau of Economic Research.
- World Bank. 2007. *World Development Indicators 2007*. Washington, DC.

# Financing Homes indicators

	ALBANIA	ALGERIA	ARGENTINA	ARMENIA	AZERBAIJAN	BRAZIL
Region	ECA	MENA	LAC	ECA	ECA	LAC
Income group	Lower middle	Lower middle	Upper middle	Lower middle	Lower middle	Lower middle
Mortgage debt (% of GDP)	4.25	..	1.70	0.89	..	7.00
GNI per capita (US\$)	2,960	3,030	5,150	1,930	1,850	4,730
Public credit registry coverage (% of adults)	0.0	0.2	25.5	2.8	1.4	17.1
Private credit bureau coverage (% of adults)	0.0	0.0	100.0	13.5	0.0	46.4
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	43	77	55	4	10	33
Cost to register a mortgage and title transfer (% of property value)	0.54	7.57	7.69	0.43	0.47	2.84
Registration fees and stamp duties (US\$)	100.9	1,098.3	4,827.6	226.5	43.5	487.7
Mandatory notary index (0–1)	0.75	1.00	0.75	0.50	0.50	0.25
Registry inefficiency index (0–1)	0.37	0.37	0.1	0.16	0.32	0.45
Is registry electronic?	NO	NO	YES	YES	YES	NO
Time to check for encumbrances (days)	5	7	1	2	5	7
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	209	..	285	332	143	271
Time for notification	23	..	43	108	15	105
Time for judgment	54	..	95	31	76	0
Time for enforcement	132	..	147	193	52	166
Cost to foreclose on a property (% of property value)	3.67	..	17.10	11.71	15.32	7.21
Court costs	0.15	..	2.64	0.13	0.03	N.A.
Stamp duties	N.A.	..	N.A.	1.76	N.A.	N.A.
Bailliff fees	2.64	..	N.A.	4.40	N.A.	0.02
Expert fees	0.28	..	N.A.	1.76	0.32	0.71
Lawyer fees	0.31	..	11.44	0.11	13.20	4.40
Notary fees	0.07	..	N.A.	0.03	N.A.	N.A.
Auction fees	0.15	..	2.64	3.52	1.76	1.10
Enforcement fees	0.07	..	N.A.	N.A.	N.A.	N.A.
Other fees	N.A.	..	0.38	N.A.	N.A.	0.98
Predominant type of foreclosure	JUDICIAL	..	JUDICIAL	JUDICIAL	JUDICIAL	JUDICIAL
Is a public auction required?	YES	..	YES	NO	NO	YES

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

Source: *Financing Homes* database; country sources (see the data notes).

	BURKINA FASO	CANADA	CHILE	COLOMBIA	CROATIA	DOMINICAN REPUBLIC
Region	SSA	OECD	LAC	LAC	ECA	LAC
Income group	Low	High	Upper middle	Lower middle	Upper middle	Lower middle
Mortgage debt (% of GDP)	..	51.14	13.51	7.00	14.83	3.59
GNI per capita (US\$)	460	36,170	6,980	2,740	9,330	2,850
Public credit registry coverage (% of adults)	2.1	0.0	26.2	0.0	13.3	1.6
Private credit bureau coverage (% of adults)	0.0	100.0	33.5	72.4	35.4	..
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	103	23	31	27	63	60
Cost to register a mortgage and title transfer (% of property value)	12.21	0.04	1.46	1.80	5.09	3.85
Registration fees and stamp duties (US\$)	211.5	55.6	3,756.8	1,488.5	41.6	2,757.8
Mandatory notary index (0–1)	1.00	0.00	0.75	0.75	0.50	0.50
Registry inefficiency index (0–1)	0.38	0.14	0.4	0.03	0.03	0.25
Is registry electronic?	NO	YES	NO	YES	YES	YES
Time to check for encumbrances (days)	4	1	4	1	1	1
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	111	105	240	705	247	89
Time for notification	45	75	54	430	45	30
Time for judgment	1	0	50	10	0	0
Time for enforcement	65	30	136	265	202	59
Cost to foreclose on a property (% of property value)	6.59	4.97	7.05	8.59	3.84	14.29
Court costs	N.A.	N.A.	N.A.	N.A.	0.21	0.62
Stamp duties	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Bailiff fees	0.43	N.A.	0.10	0.05	N.A.	N.A.
Expert fees	N.A.	0.02	N.A.	0.88	0.21	N.A.
Lawyer fees	4.40	0.24	6.81	7.04	3.09	13.20
Notary fees	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Auction fees	1.76	4.40	N.A.	0.57	0.08	0.44
Enforcement fees	N.A.	0.30	N.A.	N.A.	0.25	N.A.
Other fees	N.A.	N.A.	0.14	0.05	N.A.	0.03
Predominant type of foreclosure	JUDICIAL	NONJUDICIAL	JUDICIAL	JUDICIAL	JUDICIAL	JUDICIAL
Is a public auction required?	NO	NO	NO	NO	YES	YES

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

Source: *Financing Homes* database; country sources (see the data notes).

	EGYPT	EL SALVADOR	GEORGIA	GHANA	GUATEMALA	INDIA
Region	MENA	LAC	ECA	SSA	LAC	SAR
Income group	Lower middle	Lower middle	Lower middle	Low	Lower middle	Low
Mortgage debt (% of GDP)	0.26	10.38	3.59	3.90	1.84	5.31
GNI per capita (US\$)	1,350	2,540	1,560	520	2,640	820
Public credit registry coverage (% of adults)	17.2	0.0	0.0	20.7	0.0	0.0
Private credit bureau coverage (% of adults)	74.6	0.2	0.0	13.1	10.8	68.3
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	193	24	4	140	28	57
Cost to register a mortgage and title transfer (% of property value)	0.67	4.04	0.26	2.69	13.26	7.66
Registration fees and stamp duties (US\$)	347.3	617.4	126	179.5	183.5	113.2
Mandatory notary index (0–1)	1.00	0.50	0.25	0.25	1.00	0.25
Registry inefficiency index (0–1)	0.37	0.09	0.05	0.72	0.01	0.32
Is registry electronic?	NO	YES	YES	NO	YES	NO
Time to check for encumbrances (days)	3	1	2	14	1	3
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	190	624	274	706	177.5	187
Time for notification	90	140	7	61	56	60
Time for judgment	0	198	204	575	0	0
Time for enforcement	100	286	63	70	121.5	127
Cost to foreclose on a property (% of property value)	4.26	19.53	12.98	10.88	7.48	2.20
Court costs	2.20	N.A.	2.64	1.16	0.17	N.A.
Stamp duties	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Bailliff fees	N.A.	0.48	6.16	N.A.	N.A.	N.A.
Expert fees	0.23	0.34	N.A.	0.93	N.A.	1.26
Lawyer fees	1.39	17.60	3.52	4.40	7.00	0.31
Notary fees	N.A.	N.A.	0.66	N.A.	N.A.	N.A.
Auction fees	0.44	N.A.	N.A.	4.40	N.A.	N.A.
Enforcement fees	N.A.	N.A.	N.A.	N.A.	N.A.	0.63
Other fees	N.A.	1.12	N.A.	N.A.	0.32	N.A.
Predominant type of foreclosure	JUDICIAL	JUDICIAL	JUDICIAL	JUDICIAL	JUDICIAL	NONJUDICIAL
Is a public auction required?	YES	YES	NO	YES	YES	NO

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

Source: *Financing Homes* database; country sources (see the data notes).

	JAPAN	KAZAKHSTAN	KENYA	LEBANON	MALI	MEXICO
Region	OECD	ECA	SSA	MENA	SSA	LAC
Income group	High	Lower middle	Low	Upper middle	Low	Upper middle
Mortgage debt (% of GDP)	40.30	3.00	..	5.01	..	10.10
GNI per capita (US\$)	38,410	3,790	580	5,490	440	7,870
Public credit registry coverage (% of adults)	0.0	0.0	4.7	2.5	0.0	0.0
Private credit bureau coverage (% of adults)	13.7	1.5	0.0	0.0	61.2	100.0
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	25	58	79	13	28	89
Cost to register a mortgage and title transfer (% of property value)	3.82	1.00	4.35	6.27	11.23	5.00
Registration fees and stamp duties (US\$)	1,623.9	3.8	45.7	3,576.6	157.5	882.1
Mandatory notary index (0–1)	0.00	0.25	0.75	0.50	1.00	1.00
Registry inefficiency index (0–1)	0.05	0.35	0.63	0.06	0.32	0.73
Is registry electronic?	YES	YES	NO	YES	NO	NO
Time to check for encumbrances (days)	1	3	7	1	2	15
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	410	55	239	225	406	358
Time for notification	31	34	60	96	270	37
Time for judgment	7	0	0	66	30	239
Time for enforcement	372	21	179	63	106	82
Cost to foreclose on a property (% of property value)	1.44	3.52	3.96	14.52	..	15.59
Court costs	0.28	N.A.	N.A.	0.44	..	N.A.
Stamp duties	N.A.	N.A.	N.A.	N.A.	..	N.A.
Bailiff fees	N.A.	N.A.	N.A.	N.A.	..	N.A.
Expert fees	N.A.	N.A.	0.44	N.A.	..	1.76
Lawyer fees	0.14	N.A.	2.64	13.20	..	13.20
Notary fees	N.A.	N.A.	N.A.	N.A.	..	N.A.
Auction fees	N.A.	2.64	0.88	0.88	..	N.A.
Enforcement fees	1.01	N.A.	N.A.	N.A.	..	N.A.
Other fees	N.A.	0.88	N.A.	N.A.	..	0.63
Predominant type of foreclosure	JUDICIAL	NONJUDICIAL	NONJUDICIAL	JUDICIAL	JUDICIAL	JUDICIAL
Is a public auction required?	NO	YES	YES	YES	YES	NO

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

Source: *Financing Homes* database; country sources (see the data notes).

	NEW ZEALAND	NICARAGUA	NIGERIA	PAKISTAN	PANAMA	PERU
Region	OECD	LAC	SSA	SAR	LAC	LAC
Income group	High	Lower middle	Low	Low	Upper middle	Lower middle
Mortgage debt (% of GDP)	85.65	4.48	0.47	0.62	22.70	2.31
GNI per capita (US\$)	27,250	1,000	640	770	4,890	2,920
Public credit registry coverage (% of adults)	14.8	0.0	4.6	0.0	4.1	0.0
Private credit bureau coverage (% of adults)	100.0	0.0	1.4	41.6	10.9	4.4
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	3	157	51	12	58	32
Cost to register a mortgage and title transfer (% of property value)	0.08	3.70	8.63	4.61	2.66	3.37
Registration fees and stamp duties (US\$)	33.7	308.2	532	1,311	463	165.2
Mandatory notary index (0–1)	0.00	0.75	0.25	0.25	0.75	0.50
Registry inefficiency index (0–1)	0.02	0.38	0.35	0.27	0.25	0.05
Is registry electronic?	YES	NO	NO	NO	YES	YES
Time to check for encumbrances (days)	1	3	1	2	1	1
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	167	75	112	131	377	279
Time for notification	84	33	91	58	69	71
Time for judgment	0	0	0	0	240	1
Time for enforcement	83	42	21	73	68	207
Cost to foreclose on a property (% of property value)	2.99	5.17	6.19	12.33	13.97	12.70
Court costs	0.10	0.66	N.A.	0.07	0.23	3.83
Stamp duties	N.A.	N.A.	N.A.	0.01	0.14	N.A.
Bailiff fees	N.A.	N.A.	N.A.	1.21	0.23	N.A.
Expert fees	0.02	N.A.	2.32	N.A.	0.18	N.A.
Lawyer fees	0.13	4.40	N.A.	4.85	13.20	8.80
Notary fees	N.A.	N.A.	0.07	N.A.	N.A.	N.A.
Auction fees	2.72	N.A.	2.64	1.32	N.A.	N.A.
Enforcement fees	0.02	N.A.	N.A.	N.A.	N.A.	N.A.
Other fees	N.A.	0.11	1.16	4.85	N.A.	0.07
Predominant type of foreclosure	NONJUDICIAL	JUDICIAL	NONJUDICIAL	NONJUDICIAL	JUDICIAL	JUDICIAL
Is a public auction required?	NO	NO	NO	YES	YES	YES

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

Source: *Financing Homes* database; country sources (see the data notes).

	ROMANIA	RUSSIAN FEDERATION	RWANDA	SOUTH AFRICA	SRI LANKA	TUNISIA
Region	ECA	ECA	SSA	SSA	SAR	MENA
Income group	Upper middle	Upper middle	Low	Upper middle	Lower middle	Lower middle
Mortgage debt (% of GDP)	2.30	0.60	..	39.43	..	7.13
GNI per capita (US\$)	4,850	5,780	250	5,390	1,300	2,970
Public credit registry coverage (% of adults)	0.2	0.0	4.0	0.0	0.0	13.7
Private credit bureau coverage (% of adults)	0.0	23.5	0.0	2.9	0.0	0.0
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	39	53	366	28	97	49
Cost to register a mortgage and title transfer (% of property value)	2.45	0.32	11.38	5.50	4.92	7.18
Registration fees and stamp duties (US\$)	1,561.7	15.2	280.6	149.5	1,846.4	231.2
Mandatory notary index (0–1)	0.50	0.50	0.25	0.75	0.50	0.75
Registry inefficiency index (0–1)	0.34	0.35	0.28	0.01	0.5	0.26
Is registry electronic?	NO	YES	NO	YES	NO	NO
Time to check for encumbrances (days)	3	5	3	1	1	1
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	85	259	..	199	71	446
Time for notification	18	101	..	31	15	1
Time for judgment	0	81	..	33	0	311
Time for enforcement	67	77	..	135	56	134
Cost to foreclose on a property (% of property value)	1.92	6.43	..	2.55	6.38	19.22
Court costs	N.A.	N.A.	..	N.A.	0.25	N.A.
Stamp duties	N.A.	0.27	..	N.A.	0.02	5.28
Bailiff fees	1.73	6.16	..	0.01	0.13	0.20
Expert fees	0.19	N.A.	..	0.04	N.A.	0.42
Lawyer fees	N.A.	N.A.	..	0.60	1.89	13.20
Notary fees	N.A.	N.A.	..	N.A.	0.88	N.A.
Auction fees	N.A.	N.A.	..	1.81	2.20	N.A.
Enforcement fees	N.A.	N.A.	..	N.A.	0.84	N.A.
Other fees	N.A.	N.A.	..	0.09	0.17	0.11
Predominant type of foreclosure	NONJUDICIAL	JUDICIAL	..	JUDICIAL	NONJUDICIAL	JUDICIAL
Is a public auction required?	NO	YES	NO	NO	NO	YES

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

Source: *Financing Homes* database; country sources (see the data notes).

	TURKEY	UGANDA	UNITED STATES	UZBEKISTAN	VIETNAM	ZAMBIA
Region	ECA	SSA	OECD	ECA	EAP	SSA
Income group	Upper middle	Low	High	Low	Low	Low
Mortgage debt (% of GDP)	3.84	0.80	74.49	0.04	1.50	..
GNI per capita (US\$)	5,400	300	44,970	610	690	630
Public credit registry coverage (% of adults)	10.3	0.0	0.0	0.0	9.2	0.0
Private credit bureau coverage (% of adults)	2.7	0.0	100.0	0.0	0.0	0.0
<b>REGISTERING A MORTGAGE AND TITLE TRANSFER</b> see countries ranked by time on page 3 and by cost on page 5						
Time to register a mortgage and title transfer (days)	6	44	..	31	22	44
Cost to register a mortgage and title transfer (% of property value)	1.60	3.39	..	2.66	0.42	5.17
Registration fees and stamp duties (US\$)	3,532.5	122.8	..	2,041.4	3.8	245
Mandatory notary index (0–1)	0.25	0.50	..	0.50	0.50	0.50
Registry inefficiency index (0–1)	0.56	0.64	..	0.32	0.3	0.05
Is registry electronic?	NO	NO	..	NO	NO	YES
Time to check for encumbrances (days)	3	1	..	1	3	1
<b>FORECLOSING ON A PROPERTY</b> see countries ranked by time on page 8 and by cost on page 9						
Time to foreclose on a property (days)	161	235	58	249	485	274
Time for notification	63	64	15	35	15	24
Time for judgment	0	0	43	127	314	211
Time for enforcement	98	171	..	87	156	39
Cost to foreclose on a property (% of property value)	7.55	5.28	..	32.35	10.18	47.83
Court costs	N.A.	N.A.	..	8.80	3.34	0.23
Stamp duties	N.A.	N.A.	..	17.60	N.A.	N.A.
Bailiff fees	0.44	N.A.	..	N.A.	N.A.	8.80
Expert fees	0.22	0.44	..	1.40	N.A.	N.A.
Lawyer fees	3.52	N.A.	..	1.57	1.32	27.28
Notary fees	0.01	N.A.	..	N.A.	0.02	N.A.
Auction fees	0.04	0.44	..	0.88	3.08	8.80
Enforcement fees	1.98	N.A.	..	2.10	2.42	N.A.
Other fees	1.33	4.40	..	N.A.	N.A.	2.72
Predominant type of foreclosure	JUDICIAL	NONJUDICIAL	.. <sup>a</sup>	JUDICIAL	JUDICIAL	JUDICIAL
Is a public auction required?	YES	YES	..	NO	YES	YES

N.A. Not applicable.

.. Not available.

Note: EAP is East Asia and Pacific; ECA, Eastern Europe and Central Asia; LAC, Latin America and the Caribbean; MENA, the Middle East and North Africa; SAR, South Asia; and SSA, Sub-Saharan Africa. See the data notes for details on the indicators.

a. The foreclosure system in the United States varies by state.

Source: *Financing Homes* database; country sources (see the data notes).

# Acknowledgments

The study is based on data from a survey completed by more than 150 lawyers, businesspeople and public officials in 42 countries. Their contribution is gratefully acknowledged.

## ALBANIA

Renata Leka  
*BOGA & ASSOCIATES*

Oltion Toro  
*HOXHA, MEMI & HOXHA*

Krenar Loloçi  
*LOLOÇI & ASSOCIATES*

Neritan Kallfa  
*TONUCCI & PARTNERS*

Endrit Shijaku  
Jonida Braja  
*WOLF THEISS*

## ARGENTINA

Pablo Trevisan  
*BACS BANCO DE CRÉDITO Y  
SECURITIZACIÓN S.A.*

Hernán Slemenson  
*MARVAL, O'FARRELL & MAIRAL*

Mariano Fabrizio  
*PASTORIZA, EVINER, CANGUEIRO  
& RUIZ*

## ARMENIA

David Sargsyan  
*AMERIA CJSC*

Evgeny Spravtsev  
*ARDSHININVESTBANK CJSC*

David Atanessian  
*FIRST MORTGAGE COMPANY*

## AZERBAIJAN

AGBANK

Rafael Hajiyev  
*BANK RESPUBLIKA*

RABITA BANK

Samir Huseynov  
*TECHNIKABANK*

UNIBANK

## BRAZIL

Bianca Abbott Müller  
*FIGUEIRÉDO LOPES E GOLFERI  
ADVOGADOS*

Paulo Salvador Ribeiro Perrotti  
*PERROTTI E BARRUECO  
ADVOGADOS*

Manuel Nabais da Furriela  
*SANTOS E FURRIELA ADVOGADOS*

## BURKINA FASO

Mariam Ouedraogo

Pierre Zerbo  
*BANQUE DE L'HABITAT DU  
BURKINA*

Barthélemy Kere  
*CABINET D'AVOCATS BARTHÉLEMY  
KERE*

Fousséni Traore  
*ECOBANK BURKINA*

## CANADA

Pierre David  
*CANADA MORTGAGE AND  
HOUSING CORPORATION*

## CHILE

Jorge Wahl S.  
*ALESSANDRI & COMPAÑÍA*

Enrique Benitez Urrutia  
Jorge Benitez Urrutia  
*URRUTIA & CIA ABOGADOS*

Julio Gutierrez  
*VALENZUELA, GUTIERREZ &  
ASOCIADOS*

## COLOMBIA

Nubia Patarroyo Pulido  
*BANCO CAJA SOCIAL - BCSC*

Carlos Umaña  
Francisco Uribe  
*BRIGARD & URRUTIA ABOGADOS  
S.A.*

Eidelman Javier González-  
Sánchez  
*SALOMON ABOGADOS*

Oscar Eduardo Gomez  
Colmenares  
*TITULARIZADORA COLOMBIANA  
S.A.*

## CROATIA

Jelena Madir  
*DLA PIPER*

Ivana Sverak  
*POROBJA & POROBJA LAW FIRM*

## DOMINICAN REPUBLIC

Shirley Acosta  
*BANCO BHD*

Roberto Rizik  
*HEADRICK, RIZIK, ÁLVAREZ &  
FERNÁNDEZ*

Gabriel A. Dejarden González  
Carmen Cecilia Jiménez  
*SQUIRE, SANDERS & DEMPSEY*

## EGYPT

Yasser Yosry  
*ABU GHAZALE LEGAL*

Shamsnoor Abdul Aziz  
*EGYPT FINANCIAL SERVICES  
PROJECT*

Karim Elhelaly  
*PRICEWATERHOUSECOOPERS*

Ryham Ragab  
*MENA ASSOCIATES*

Mohamed Adel Serry  
*SERRY LAW OFFICE*

## EL SALVADOR

Irene Arrieta de Diaz Nuila  
*ARRIETA BUSTAMANTE*

Carlos M. Molina  
*CEPA*

Daniel Martinez  
*GARCIA & BODAN*

## GEORGIA

Irakli Bodokia  
*BANK OF GEORGIA*

Lasha Gogiberidze  
Sandro Bibilashvili  
*BGI LEGAL*

Lela Chincharauli  
*TBC BANK*

## GHANA

Hannah Agbozo  
Carla Danielle Olympio  
*BENTSI-ENCHILL, LETSA &  
ANKOMAH*

Emmanuel Y. Asamoah  
*FIDELITY BANK*

Dominic Adu  
*GHANA HOME LOANS*

**GUATEMALA**

Luis Ronaldo Arana Arriaza  
*INSTITUTO DE HIPOTECAS  
ASEGURADAS - FHA*

Juan Jegerlehner  
*SARAVIA Y MUÑOZ LLC*

Oscar Estuardo Paiz Lemus

**INDIA**

Sudhin Choksey  
*GRUH FINANCE LIMITED  
WEIZMANN HOMES LTD.*

**JAPAN**

Naoyuki Kabata  
Satoshi Kato  
*ANDERSON MORI & TOMOTSUNE*

Kayoko Asano  
*SUMITOMO MITSUI BANKING  
CORPORATION*

**KAZAKHSTAN**

Gulnur Tuleukhanova  
*ALLIANCE BANK*

Yelena Bychkova  
*AQUITAS LAW FIRM*

Vsevolod Markov  
*McGUIRE WOODS KAZAKHSTAN  
LLP*

**KENYA**

Apollo Ong'ara  
*COMMERCIAL BANK OF AFRICA*

Oliver Fowler  
*KAPLAN & STRATTON*

Michael Kontos  
*WALKER KONTOS ADVOCATES*

**LEBANON**

Chadia El Meouchi  
Theodore De Mar Youssef  
Mazen Rasamny  
*BADRI AND SALIM EL MEOUCHI  
LAW FIRM*

Malak Shoughary  
*BLOM BANK SAL*

Ziad El-Khoury  
*EL-KHOURY & PARTNERS LEGAL  
COUNSEL*

Georges H. Mallat  
*HYAM G. MALLAT LAW FIRM*

Nada Abdelsater-Abusamra

**MALI**

Modibo Cisse  
*BANQUE DE L'HABITAT DU MALI*

Jacques Raiche  
*INTERNATIONAL FINANCE  
CORPORATION (IFC)*

Ahmadou Toure  
*OFFICE NOTARIAL DE MAÎTRE  
AHMADOU TOURE*

Fatimata Dicko Zouboye

**MEXICO**

Maria Casas López  
*BAKER & MCKENZIE, S.C.*

Cristina Sanchez Urtiz  
Gabriela Perez Castro Ponce  
de León  
*MIRANDA & ESTAVILLO, S.C.*

Alejandra Castillo Ortiz  
Guillermo Piccarchic  
*PMC ASOCIADOS, S.C.*

Juan Pablo Vega Cruz  
*WHITE & CASE, S.C.*

**NEW ZEALAND**

Jan Etwell  
*BUDDLE FINDLAY*

Jonathan Flaws  
*SANDERSON WEIR*

**NICARAGUA**

Minerva Adriana Bellorin  
Rodriguez  
*ACZALAW*

Silvio Lanuza Matamoros  
*BANCO DE FINANZAS, S.A.*

Amilcar Navarro Amador  
*GARCIA & BODAN*

**NIGERIA**

Bolaji Lawal  
*GUARANTY TRUST BANK PLC*

Nkem Ogbuaku  
*SPRING MORTGAGE LIMITED*

Adebukola Eleso  
*TEMPLARS BARRISTERS &  
SOLICITORS*

**PAKISTAN**

Mujahid Zameer  
*HOUSE BUILDING FINANCE  
CORPORATION*

Muneeb Zia  
*MUNEEB & ZIA, ADVOCATES &  
CONSULTANTS*

**PANAMA**

Valentín Ureña  
*AROSEMENA NORIEGA &  
CONTRERAS*

Rosa Tovar  
*LA HIPOTECARIA, S.A.*

Alvaro Aguilar  
*LOMBARDI AGUILAR & GARCIA*

Tayra Ivonne Barsallo Z.  
*ORLANDO A. BARSALLO Y  
ASOCIADOS*

**PERU**

Veronica Cuadros Rodriguez  
*BANCO INTERNACIONAL DEL  
PERU - INTERBANK*

Jeffrey M. Kihien-Palza  
*BLUESTONE LAW LLP*

Raul Lozano Merino  
*PEÑA, LOZANO, FAURA &  
ASOCIADOS*

**ROMANIA**

*CMS CAMERON MCKENNA SCA*

Carmen Retegan  
*DOMENIA CREDIT IFN SA*

Octavian Tomus  
*MARGARIT, FLOROV & PARTNERS*

**RUSSIAN  
FEDERATION**

Lebedeva Olga Vasiljevna  
*NATIONAL MORTGAGE  
CORPORATION*

Ergunova Nadeskda Alekseevna  
*PETERSBURG SOCIAL  
COMMERCIAL BANK*

**RWANDA**

Stephen J. Caley  
*FINA BANK S.A. RWANDA*

Charles Haba  
*RWANDA HOUSING BANK*

**SOUTH AFRICA**

Godfrey Letlape  
*BLUE DOT HOUSING*

*KNOWLES HUSAIN LINDSAY INC.*

Rudolph Willemse  
*REGULATORY FRAMEWORKS CC*

**SRI LANKA**

Tudor Jayasuriya  
*F. J. & G. DE SARAM,  
ATTORNEYS-AT-LAW*

C. P. Abeywickrema  
*HATTON NATIONAL BANK LTD.*

Shamila Thilini Wijeratne  
*SUDATH PERERA ASSOCIATES*

**TUNISIA**

Mohamed Moncef Barouini  
*AVOCATS CONSEILS RÉUNIS*

*GIDE LOYRETTE NOUËL TUNISIE*

Donia Hedda Ellouze

**TURKEY**

Sebahat Gumusalan Tezcan  
*EUROPEAN HOUSING FINANCE  
- EHF*

Bahadır Teker  
*ISTANBUL CAPITAL*

Sebnem İşik  
Halit Basar  
*MEHMET GUN & PARTNERS*

**UGANDA**

James Ronnie Kanagwa  
*BARCLAYS BANK UGANDA*

Jean Lubega-Kyazze  
*UGANDA LAW REFORM  
COMMISSION*

Jimmy M. Muyanja

**UNITED STATES**

Linda Vernon Goldberg  
*SHOREBANK CORPORATION*

**UZBEKISTAN**

Ahmedov Mels Uktamovich  
*BAS LAW FIRM  
LEGES ADVOCAT*

**VIETNAM**

Bernadette Fahy  
*GIDE LOYRETTE NOUËL  
A.A.R.P.I.*

Ho Quang Vinh  
*SACOMBANK*

Tran Duc Hoai  
*VIETBID*

Nguyen Quang Hung  
*VIETNAM INTERNATIONAL LAW  
FIRM*

**ZAMBIA**

Lastone Mwanabo  
*LEWIS NATHAN ADVOCATES*

L. Chilumba  
David Allen  
*STANBIC BANK ZAMBIA LIMITED*

Marcus Swanepoel  
Jane Mwila  
*STANDARD BANK AFRICA*

**OTHER  
CONTRIBUTORS**

Alexandra Lopez-Casero  
Richard Michael Price  
*NIXON PEABODY LLP*

Abdullah I. Al Howaish  
*AMLAQ INTERNATIONAL FOR  
FINANCE & REAL ESTATE  
DEVELOPMENT*





THE  
WORLD  
BANK



**IFC**  
International  
Finance  
Corporation  
World Bank Group

