

Housing Reforms in Ecuador to Improve Access



Quito, April 09 (teleSUR-RHC) Working to make owning a home accessible for all citizens and to stimulate the construction sector, the government of Ecuador invested \$1.1 billion to develop new lines of credit and promote access to housing.

These credit lines can be obtained through the traditional banking system, or through the Bank of the Ecuadorean Social Security System (Biess). These credits go up to \$70,000 with 5 percent of interest.

Carolina Realpe, a citizen who is seeking to benefit from the credits said, "I am going to ask for \$60,000. And I feel like this is good, because it is at 6 percent interest rate, and this benefits all citizens. It is very good, and as it is coming from the state, it is perfect."

Biess credits previously had an 8 percent interest rate but now lowered to 6 percent, and those of private banks have been lowered from 10 percent over 15 years to 5 percent over a 20 year period.

The Ministry of Housing is currently revising requirements for families to access loans. Up to this point, 250,000 mortgages have been approved and plans are underway to build 2,600 more homes. "In the Ministry of Housing we are going to provide credits, up to \$6,000 for homes up to \$25,000. We have, besides the \$95 million the Minister of Political Economy speaks about, \$40 million in credits to encourage these sectors," Minister of Housing Maria de Los Angeles Duarte told the press.

These reforms are possible through cooperation between the public and private sectors, as eight of the largest banks in the country have committed their support. Becoming a homeowner will become a very real possibility for those Ecuadoreans who before did not have the means to own a home, once the credits are fully functioning in June 2015.

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