

Development Finance Corporation Loan Facility from the Social Security Board to Provide Financing Primarily for the on-going Mortgage Finance Program-BZE\$20 Million Loan Motion, 2023.

WHEREAS, section 15(1) of the Development Finance Corporation Act, Chapter 279, Revised Edition, 2020, provides that the Development Finance Corporation (DFC) may, with the approval of the Minister of Finance, and subject to the principles of sound fiscal management, borrow sums domestically or internationally, for meeting any of its obligations or discharging any of its functions;

AND WHEREAS, subsection (4) of Section 15 of the DFC (Amendment) Act, 2022, further provides that any agreement, contract, or other instrument effecting any borrowing or loan to the DFC, of or above the equivalent of five million dollars, shall only be validly entered into pursuant to a resolution of the National Assembly authorizing the DFC to raise the loan or to borrow the money;

AND WHEREAS, the DFC approached the Social Security Board (SSB) for a loan facility to provide financing for its on-going Mortgage Finance Program, that includes residential expansion and improvement, real estate development, infrastructure, and refinancing loan opportunities for Belizeans;

AND WHEREAS, the SSB Board of Directors on 6th June 2022, approved a financing facility to the DFC totaling **BZE\$20,000,000** for the said purpose, under the following terms and conditions:

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| Loan Principal Amount: | BZE\$20,000,000; |
| Disbursement Schedule: | Funds will be disbursed in four (4) tranches, of \$5 million each, over two (2) years; |
| Purpose: | To provide financing for DFC's Mortgage Finance Program; |
| Loan Term: | Twenty-five (25) years with two (2) years grace period on principal payment; |
| Rate of Interest: | Interest shall be paid at rate to be agreed not to exceed four and one half (4.5%) percent per annum on outstanding principal loan balance and payable quarterly on any disbursed sum from the date of first disbursement; |
| Repayment: | Principal and interest are to be repaid quarterly after full disbursement of loan funds. Full disbursement of |

the loan will be within two (2) years from the date of first disbursement;

Commitment Fee: One (1%) percent payable by DFC on any undrawn portion of the line of credit, to be paid annually;

Other Fees: The Facility will be subject to a one-time loan application fee of \$6,000 which is payable before the first disbursement; A lending fee of 0.75% is due on the approved loan facility and payable on the disbursed tranches;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the Loan proceeds would significantly assist the Development Finance Corporation to meet the growing demands for its on-going Mortgage Finance Program, and aid the Government's ongoing efforts to improve the living conditions and lives of the Belizean people, approves and confirms that the Development Finance Corporation may enter into a Loan Agreement with the Social Security Board on the terms and conditions set out above, and further authorizes the Corporation, through its Board of Directors, to execute and deliver the said Loan Agreement and all other documents associated therewith.