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IFC to invest up to \$38M in three affordable housing finance firms

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finance companies in India, as the World Bank's private-sector lending arm seeks to expand its presence in a segment that offers loans for low-cost houses.

The investment in Aspire Home Finance Corporation, Micro Housing Finance Corporation, and Aptus Value Housing Finance India Ltd will be through non-convertible debentures, IFC said in a statement.

Aspire focuses on retail home loans with an average ticket size of around Rs 10 lakh. It is a subsidiary of Motilal Oswal Securities Ltd, which in turn is a part of financial services company Motilal Oswal Financial Services Ltd.

Micro Housing Finance provides small and micro loans to the urban poor. It counts Michael and Susan Dell Foundation, India Financial Inclusion Fund and Unilazer Vetures as major investors.

Aptus offers loans to the self-employed, and the informal segment of customers from the low-middle income group in semi-urban and rural areas of South India. Its promoter is M Anandan and its major shareholders include WestBridge Crossover Fund, India Financial Inclusion Fund and Granite Hill India Opportunities Fund.

Affordable housing has received a lot of attention on the back of the Narendra Modi government's plan to provide housing for all Indians by 2022. In the budget for 2016-17, finance minister Arun Jaitley proposed complete tax deduction on profits from housing projects with flats measuring 30 sq metres in metros and 60 sq metres in other cities.

Mainstream private equity investors have [stayed away](#) from affordable housing citing thin margins as the reason. However, IFC and a couple of impact investors have clinched deals in this space.

In 2015, IFC agreed to [invest](#) \$25 million (Rs 160 crore) in the affordable housing arm of Tata Housing Development Company Ltd.

IFC has also backed several other mortgage lenders in the past including Dewan Housing Finance, AU Housing Finance and PNB Housing Finance Ltd.