

## Banorte and Infonavit Sign a Collaboration

**25 Feb 2002**

**Mexico City, February 26, 2002.** Grupo Financiero Banorte and the Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT) signed an addendum to a previous collaboration agreement to create a new service that will make it easier for the institute's beneficiaries to obtain better housing financing conditions through the program known as Apoyo INFONAVIT.

The loan can be used for purchasing a new or used home with a maximum value of 390 times the monthly minimum wage for Mexico City ¿ around Ps 495 thousand-. The loans will be backed up by a bond made up of the balances in each applicant's housing subaccount, which could cover up to one year of payments in case of unemployment, making it unnecessary to buy an unemployment insurance policy to have access to this new service.

This plan is targeted to contributors between 24 and 55 years of age, who are currently employed, and to INFONAVIT beneficiaries who have been with the institution for at least three years and do not currently have a loan in effect with the institution. The loan derived from the INFONAVIT ¿ BANORTE agreement is for a 15-year term, and allows the beneficiary to finance up to 80% of the appraised value of the home at a 17.9% fixed rate.

The employer's or company's contributions shall serve to amortize the loan in advance, thus reducing the term.

Another benefit of this type of financing is that there is no cost for investigations, nor penalizing for advance payments, and the initial commission is lower than the average on the market.

Moreover, the beneficiary will be given two insurance policies, free of charge, during the first five years of the loan. One of them is a life insurance policy and the other covers damage. Both policies are for an amount equal to the outstanding balance of the loan.

The agreement was signed at INFONAVIT headquarters by P.A. Othón Ruiz Montemayor, C.E.O. of Grupo Financiero Banorte, and by P.A. Victor Manuel Borrás Setién, general director of INFONAVIT.

The Apoyo INFONAVIT program is intended to facilitate access to bank loans for workers with an income over 6 times the minimum wage, by using their housing sub-accounts as collateral and the employer's contributions as pre-payments, enabling them to cover their loans in a shorter term.