

GFNorte supplies financing funds to savings & loans specializing in mortgage loans

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Mexico, D.F., June 18, 2003. Today Grupo Financiero Banorte (GFNorte) and the Sociedad Hipotecaria Federal S.N.C. (SHF) (Federal Mortgage Company) announced a joint plan by which GFNorte shall grant loans to Savings and Loans Associations (Sociedades Financieras de Objeto Limitado) (Sofoles) specializing in mortgage loans.

The agreement between the two institutions was settled after GFNorte had shown interest in the SHF program which consists of a security granting system that would enable transferring the Sofoles financing activity to commercial banking.

Thus, GFNorte decided to take part in this effort with eight credit lines, for the time being, for an equal number of Sofoles. These credit lines, which have SHF backing for prompt payment, have already been authorized and represent a total of Ps 4.75 billion.

To approve the above financing, GFNorte made sure that the elected savings and loan associations specializing in mortgage loans were duly qualified by renowned firms of at least BBB.-

This mechanism constitutes a direct contribution to reaching the decent housing supply goals established by the federal government in order to substantially reduce the existing housing deficit among the lower income sector. Moreover, it will enhance the development of the mortgage loan primary and secondary markets.