

Banorte signs agreement to grant mortgage loans to ISSSTE workers

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Mexico, D.F., December 19, 2007.- Today Grupo Financiero Banorte was the first financial institution in the country to sign the Concerted Actions Agreement for the Mortgage Financing 2008 Program of the ISSSTE Housing Fund under a co-financing scheme.

The object of the agreement is to establish the basis, conditions and procedures for granting mortgage loans to ISSSTE workers.

The Agreement was signed by Miguel Angel Yunes Linares, General Director of ISSSTE, Manuel Perez Cardenas, Executive Representative of FOVISSSTE and Luis Pena Kegel, Banorte CEO, with participation of the Federal Mortgage Agency represented by the Actuary Alan Elizondo Flores, Deputy Director General of Loan Operations.

The CEO of Grupo Financiero Banorte, Luis Pena Kegel, said "we are proud to make the different mortgage plans that our institution offers available to over two million ISSSTE workers".

Banorte will participate initially in the co-financing program and later will take part in the other modes for these loans, which are; traditional, subsidiaries conjugal FOVISSSTE-INFONAVIT and the mode for retirees.

There are two authorized schemes for operating co-financing, "Alia2" for ISSSTE workers that want to buy a home for a value of up to Ps 1,039,233 and "Respalda2" for the purchase of a home regardless of price. With "Alia2" the worker gets a FOVISSSTE loan, which is added to the balance of the Housing Sub-account to cover the down payment with the available balance, whereas with "Respalda2" the Housing Sub-account is used exclusively for the down payment.

For both modes, Banorte will offer two mortgage loan schemes. The "Traditional" scheme in Mexican pesos at a fixed rate of 11.9%, with discounts of 0.5% points for each 12 consecutive timely payments until an 8.9% rate is reached in 6 years; without prepayment penalties or monthly management fees, at a 5 to 30 year term. The second option is called "More for Less". It offers the lowest initial payment on the market at a 20 year term. Both options offer a free unemployment insurance of up to 9 months, for the duration of the mortgage loan.

These options are available to active ISSSTE workers between the ages of 22 and 69 years and 11 months. The applicant also has to have a minimum income of Ps 5,000 a month, a good credit history and deposits in the Housing Fund Sub-account in the name of the applicant for over 18 months in the ISSSTE. The applicant cannot have been the beneficiary of a housing loan granted by FOVISSSTE and must have been active for at least two years.

Once the loan is authorized, workers can acquire a new or used home anywhere in Mexico. This is just one more way that Banorte proves its commitment to the workers of ISSSTE, by offering them attractive loan options regardless of their positions.