

Researchers

Russell Toth
University of Sydney

Teevrat Garg
University of California, San Diego

Ricardo Dahis
Pontifícia Universidade Católica do Rio de Janeiro

Staff

Yuna Liang
Senior Research Manager

Ana Cruz
Research Associate

Timeline

2022

Study Status

In Progress

Study Type

Pilot

Sample Size

954 clients

Research Implemented by IPA

Yes

The Role of Housing Loans and Education in Addressing Housing Vulnerabilities



In This Image

An ASA client living in a low-lying area by a river that draws closer to their home during heavy rains. 2023© Chrissie Cruz

Access to adequate housing is crucial for the physical, mental and social well-being of individuals and communities, as recognized in various international and national laws, including the Universal Declaration of Human Rights. The Philippines, ranked first in the 2022 World Risk Index, is highly susceptible to natural disasters, such as typhoons, floods, earthquakes, and droughts, which pose a significant threat to low-income families living in substandard housing in danger zones due to financial constraints and lack of knowledge about resilient house construction. Moreover, the government estimates that between 2017 and 2022, 6.8 million impoverished families are without homes, exacerbating the severity of the housing crisis.^[1]

IPA Philippines is partnering with NGO ASA and its program Homfin to improve the effectiveness of home loans. The study aims to address two critical issues - insufficient loan amounts and a lack of knowledge on proper construction practices - which often lead to incomplete or substandard housing. Researchers will examine whether increasing the loan amount and term and providing education will lead to better outcomes, including improved knowledge of proper and climate-resilient construction practices, and better-informed construction decisions. Homfin will randomly offer one of the following loan schemes to 954 clients:

Group 1: Low Amount Loan - Clients in this group are offered the current Homfin loan option, which provides a loanable amount of up to Php 50,000 to be paid in a maximum loan term of one year.

Group 2: Low Amount Loan Plus Education - Clients in this group are offered the current Homfin loan option, but in addition, they receive an educational intervention in the form of a brochure on proper construction practices and a budgeting guide produced by Habitat for Humanity. The brochure and guide are distributed to clients and discussed by loan officers during group meetings.

Group 3: Higher Amount Loan - Clients in this group are offered a new Homfin loan option, which provides a higher loanable amount of up to Php 200,000 to be paid in a maximum loan term of three years.

Group 4: Higher Amount Loan Plus Education - Clients in this group are offered a new Homfin loan option, and in addition, they receive the same educational intervention as clients in group 2 (the brochure on proper construction practices and budgeting guide).

Results of the study will be available on 2023

Sources

[1] House of Representatives of the Philippines. 2021. House Resolution No.1605, 18th Congress, 2nd Regular Session, https://congress.gov.ph/legisdocs/basic_18/HR01605.pdf

Partners



ASA Philippines



Habitat for Humanity