



HON. COLM IMBERT, MP

MINISTER OF FINANCE

LAUNCH OF

TRINIDAD AND TOBAGO MORTGAGE BANK

THEME: ANTI-GRAVITY

**Wednesday, March 20, 2024
The Regency Ballroom,
Hyatt Regency Hotel
Wrightson Road, Port of Spain**

Good evening, ladies and gentlemen.

I am delighted to be here to mark the launch of the Trinidad and Tobago Mortgage Bank, as it represents a significant milestone in the Government's thrust to offer to deserving and eligible citizens of Trinidad and Tobago mortgage instruments which could propel them from being renters at the mercy of landlords to proud owners of their castles.

As you know, I have had a gruelling parliamentary schedule over the last week, addressing the issue of softening the impact of property tax and obtaining the necessary flexibility for the Government to borrow funds from the domestic market for development purposes. I got home last night close to midnight, as was the case on Monday and last Wednesday. So, my attendance here was a bit uncertain.

Apart from the fact that this merger has been in process for ten years or more and has finally been completed, the theme - anti-gravity - may have been the deciding factor that pulled me here. We use this word in its figurative sense today, as this merger of the Trinidad and Tobago

Mortgage Finance Company and the Home Mortgage Bank is destined to take Trinidad and Tobago to higher heights, defying in a real sense the gravitational pull of those who wish to hold us back as a country.

In other words, the TTMB will lift our citizens up and take them upwards to home ownership, thus defying gravity.

Ladies and gentlemen, this important merger, undertaken by a serious Government, will allow citizens to use this facility to find viable investments, mortgage solutions, and financing for commercial and residential development, enhancing citizens' quality of life. In this instance, one plus one is not the sum of its parts, but a very powerful financial institution destined to become a major player in the mortgage market.

Chairman Ferriera has already alluded to the mechanics and benefits of the merger and the varying strengths of each of the two organisations now nestled under one roof, so I will not rehash those details.

What I believe is necessary, though, is to share with you, for your appreciation, the policy and thinking behind this merger, which, I hasten to add, has been a work in progress which began with a proposal from the Ministry of Finance 12 years ago for the amalgamation of the TTMF and the HMB.

In 2024, we present a union that will enhance our country's economic outlook, offer citizens an opportunity to finally own the roof over their heads, open more doors to commercial development, and enhance financial and security independence through investments in Capital Markets.

Usually, when one hears news of a merger, it is generally perceived as either a hostile takeover of a weaker company or two companies uniting to evade bankruptcy or permanent closure. I can assure you that is not the case in this scenario. The new T-T-M-B aims to generate value far beyond what either organisation could have achieved on a stand-alone basis.

We have two (2) robust companies uniting to become a formidable organisation that would provide healthy competition in mortgage and investment portfolios in a market where fortune favours the brave and those who already have some means. As we have sought to do throughout our tenure, we are seeking to change the landscape by bringing some equity into the real estate playing field.

Ladies and gentlemen, I take you back to February 2, 2006, when the T-T-M-F was approved as the sole administrator of the Financing Regime under the Government's Affordable Housing Programme.

This ensured the housing needs of lower- and middle-income earners were met. Between January 2007 and December 2023, some **20,797 new loans** were issued at a value of **\$9.4 billion**. **I would not be entirely surprised if some beneficiaries of these 2% and 5% mortgage loans are seated amongst us today.** This includes **8,515 loans** valued at **\$4.2 billion**, which were issued under the Affordable Housing Financing facility implemented by this Administration.

Since collaboration between the TTMF and the HMB began in 2017, they have combined to create amenable, affordable offerings that demonstrate their focus on the well-being of citizens, urging them to accomplish their long-cherished ambition of property ownership. Indeed, as Chairman Ferreira quite rightly highlighted, over the last five years, TTMF and HMB provided home acquisition and improvement loans in the amount of **\$3.4 billion, of which \$2.2 billion** was issued under the affordable housing programme.

Ladies and gentlemen, if you look at the news or read the newspapers, you would have noticed that within the space of one (1) week, the Government has turned the sod to commence construction of 291 housing solutions on two (2) sites, the first located on the old CGA compound on the Eastern Main Road in Laventille, and the second nestled in the lush Caura Valley.

Today's merger of the TTMF and HMB will ensure that increasing numbers of families, like those who will eventually occupy Citrus Close and Caura, have access to secure and affordable funding in ways

perhaps that their parents and grandparents never did. Today's merger and the resulting synergies and economies of scale that will accrue ensures intergenerational wealth creation for those who will purchase those houses and apartments.

Today's merger, accomplished by the stroke of a pen in a few seconds, will transform the lives of citizens for generations to come. This is what a Government is elected to do.

Ladies and gentlemen, as I am sure you have gathered by now, this merger is quite exhilarating.

When I, as Minister of Finance, approved the final stage of the merger in 2023, there was the expectation of cooperation between the two entities and the HDC to bolster the financing for the Government's housing construction programme. This was achieved through the advance of funds by the HMB to the HDC secured by mortgages from TTMF. As of December 31, 2023, the total advanced over the last few years is **\$470 million**. In presenting the 2024 National Budget, I proposed assisting the H-D-C in accessing a further **\$700 million** loan

financing to accelerate its housing construction programme. This, added to the **\$1.5 billion** already given to the HDC over the last nine months to settle debts owed to contractors, restart stalled projects and initiate new greenfield projects, will allow the completion of construction of hundreds of housing units and allow for the initiation of construction of hundreds of more housing units.

We have already seen the benefits of the merger. The national community will see other advantages, such as a more robust brand, improved corporate governance and regulatory architecture, enhanced competitive strengths, maximised shareholder value, a lower tax rate, and a more sustainable funding base. The 2022 – 2024 strategic plan bookmarks opportunities for further growth by creating new products and services, workforce development, customer acquisition, and retention.

They are underpinned by three (3) strategic objectives which focus on:

- Providing richer, caring, relationship-driven services that complement customers' wants and needs;
- Expanding the funding base to lower cost options and stabilise the business to drive sustainability, and
- Developing innovations through partnerships and acquisitions and reframing the customer journey to deliver new forms of value.

Ladies and gentlemen, as we celebrate its inauguration, I am duly reminded of this Government's Vision 2030 and the National Development Strategy for our country. Goal Three says it loudly and clearly - **Citizens will have access to adequate and affordable housing.** Goal Three also says: "Government and the private sector will collaborate to meet the ever-increasing housing demand for low- and middle-income groups, with the private sector eventually becoming the champion of this endeavour. This will contribute to the medium- and long-term goals of reducing poverty."

We are seeing the light at the end of that tunnel. We are making headway. If this merger and the milestones I mentioned are not signifiers, how else can we indicate that movement? To use the lyrics of Voice, of one of our young artistes, while we may be “far from finished” ... we are surely far away from the starting blocks and well into the race. Through this merger and other initiatives in the housing sector, we are making home ownership easier, while simultaneously addressing the critical needs of the renting population.

I will be the first to acknowledge a big gap between the demand and supply of housing. But we cannot and will not just bemoan this limitation. We are determined to find solutions, and this merger is one of them. Vision 2030 also looks at developing “new towns” as part of the Accelerated Housing Programme in areas such as Wallerfield, La Brea, Princes Town, and Chaguanas. We believe the TTMB will give us the leverage needed to complete this goal.

Let me explain what we are doing in layman's language. The merger of the TTMF and the HMB will now give the TTMB access to \$2 billion in low-cost funds. This will reduce the cost of borrowing for TTMB from 6%, the market rate, to 3%, thus allowing TTMB to significantly reduce its expenses and ultimately reduce the cost of mortgage lending for low and middle-income earners.

The HMB is a cash-rich organisation with several investment products, such as money market funds. At the same time, the TTMF is an instrument of government policy that provides low-cost mortgages, a vehicle of social policy. The merger of these two institutions now creates a cash-rich vehicle of social policy, namely an institution that can provide billions of dollars in affordable mortgage loans to assist every citizen in fulfilling their dream of home ownership.

As I close, I wish to congratulate the teams who contributed to the actualisation and operationalisation of the Trinidad and Tobago Mortgage Bank. I also extend my best wishes to Chairman Patrick

Ferreira, who has been at the helm at both TTMF and HMB, as well as his board, management, and staff. We look forward to greater things coming out of this effort.

Thank you.

March 19, 2024