



**PRESS RELEASE**



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## **CMHC to Help Create a New Mortgage Insurance Company in Jordan**

**OTTAWA, Ontario, May 28, 2006** — Canada Mortgage and Housing Corporation (CMHC) and the United Arab Investors Group of Companies (UAIC) held a signing ceremony in Jordan today to commence a project for the creation of a new mortgage default insurance company in Jordan.

CMHC has obtained a USD \$1.8 million contract to provide technical expertise over five years to UAIC and other stakeholders to facilitate and support the implementation and operation of the new Jordan Mortgage Insurance Company (JMIC).

"CMHC is taking the lead in sharing Canada's housing expertise with the world," said Pierre David, Executive Director of CMHC International.

"By helping other countries make housing more accessible and helping Canadian companies find opportunities in new markets, CMHC is becoming an ambassador of Canadian excellence."

"UAIC is very pleased to be working in close collaborations with CMHC. With CMHC's assistance we are looking forward to creating the Jordanian Mortgage Insurance Company (JMIC) to enhance Jordan's housing finance system. It will enable Jordanian households to realize their dream of homeownership", said Dr. Fayez Tarawneh, Chairman, UAIC.

CMHC will also assist UAIC in developing a liquidity funding and securitization operation. In the event that both the JMIC and the securitization operation prove successful in Jordan, UAIC and CMHC will work jointly to explore other markets in the region.

The project was made possible as a result of support from the Canadian Embassy in Jordan, and a feasibility study CMHC conducted in partnership with UAIC and Trycana Development (Canada), and funded by the Canadian International Development Agency (CIDA).

CMHC International works in partnership with international financing institutions, governments, and public and private agencies around the world to improve housing conditions and implement innovative housing strategies.

In Canada, mortgage default insurance has made mortgages accessible to segments of the Canadian population that would otherwise not meet eligibility criteria for home ownership. Mortgage default insurance helps improve access to affordable housing finance by reducing credit risk to lenders. Lenders can in turn offer improved terms and conditions to borrowers.

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for over 60 years. CMHC is committed to helping Canadians access a wide choice of quality, affordable homes, while making vibrant, healthy communities and cities a reality across the country.

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### **Backgrounder**

United Arab Investors Corporation (UIAC) is an investment company established in 1994 by the former Chairman Mar. Zuhair Khouri. Key investors in UAIC include the Arab Bank, The Housing Bank for Trade and Finance, the Jordan Investment and Financial Bank as well as a number of other investors.

Building on its successful investment business and with the support of the Jordanian Government, UAIC's board has approved a housing strategy that would see UAIC introduce mortgage insurance, develop liquidity funding (securitization) products for mortgage lending, and develop low cost housing construction and development (Tameer Real Estate Development).

UAIC recently appointed a new chairman, His Excellency Dr. Fayez Tarawneh. He was the former Prime Minister of Jordan (1998 — 1999).

As part of the proposed implementation of a Jordanian mortgage insurance company, CMHC is proposing to provide technical assistance (TA) to the company over the next five years. The proposed budget for this TA contract is US \$1.8 million. The TA will include having one CMHC staff posted in Jordan over two years, beginning in the early fall.