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**Mortgage Bankers Association Report on Training  
and  
Potential Training Partners and Association Review**

**Technical Report No. 8  
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## **DATA PAGE**

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Task: Task 1: Establish a Supporting Framework  
for the Real Estate Finance Industry

KRA: KRA 1.3: Real Estate Professional  
Stimulated, Industry Brought to International  
Standards and Other Services Developed

Activities: 1.3.2: Identify and Review Training  
Packages for Similar Trade Associations  
  
1.3.4: Identify Training Needs, Develop  
Curricula and Implement Training

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## **I. Executive Summary**

The contract bringing the Mortgage Bankers Association into the Egypt Financial Services contract focused on underwriting. Immediately after beginning to dive into the project it became evident that a full review of mortgage industry activity was a much more appropriate thing to work on. A cursory review of all training needs, including underwriting, was conducted. An understanding of the mortgage market as it exists today, and understanding the vision of the future was all part of the review conducted.

It is worthy to note that training is typically an activity that happens after a particular process is established. Then training is conducted to show how to replicate the process faster and in a way that mimics best practices. A unique challenge to participating in training with players in the Egyptian mortgage market is that the processes that are to be replicated exist in another country and to replicate them they first need to be adjusted for local law, customs, organizational differences, etc.

One of the overall objectives of the EFS project, and more specifically the task of training, is to provide courses, models, templates, and materials that can be delivered by local organizations during and after the project's time frame. A review of real estate industry trade associations was conducted to determine their ability to assist with the delivery of training. A document was created by MBA that reviews association abilities. Combined these trade associations have less than 1000 individual members. The associations are all currently struggling to find a niche and add value. None of the associations represents mortgage banking specifically. Competent professionals that are passionate about their business and want mortgage banking to succeed in Egypt run these associations.

Two universities are also potential partners in the quest to provide training to real estate finance professionals. Either a university is currently conducting training, or universities in concert with an association are delivering training on topics like: real estate principles, appraisal, sales and marketing. Courses are beginning to be conducted on mortgage brokering. No entity is currently conducting a comprehensive course on the process of mortgage banking, or any of the following topics: underwriting, origination, processing, mortgage fraud, quality control, mortgage servicing, or secondary marketing.

One of the largest training needs identified is in the area of consumer knowledge. The type of training required includes everything from financial literacy to the process of buying a home. Consumers need to learn about managing money and credit, in addition to understanding the concept that owning a home is one of the biggest opportunities to increase personal wealth in Egypt.

The summary of the MBA's review of the task assigned is that there are many areas of needs with regard to training. We have identified some specific training plans that should be implemented to assist with building industry competence and capacity. We also feel a full review of consumer needs with regard to training is required. After that, a plan to educate consumers on their ability to own a home should take place.

## II. General Mortgage Industry Observations

Mortgage banking for single-family homes is basically non-existent in Egypt today. Real estate transactions are for the most part handled on a cash basis. Two mortgage finance companies have been established and have collectively funded 36 loans in twelve months. The two companies have one basic loan product a 10 to 20 year annually adjusted loan currently at 14% (10% current rate + 4% administrative fee). Most real estate transactions (estimated at over 90%) are not registered with anyone. They are cash transactions between buyer and seller. The legal system currently allows for mortgage banking, but without a title and registry system in place it is difficult to underwrite property. A foreclosure law has been established but there are three contradictory laws that are still on the books; a judge in a region can choose which law to choose, making recapture of property and loss mitigation issues complicated for mortgage companies. There are more than 250 banks doing business in Egypt. With very little exception these banks are not conducting the business of mortgage banking.

The governing body for mortgages is called the Mortgage Finance Authority. The Chairman, Dr. El-Torgoman, is a bright visionary leader. The Authority has basic jurisdiction over the mortgage process. Law 148 issued in 2001 basically sets the guidelines for promulgating the law on real estate. There have been various amendments to this law and some civil law that also relate to real estate finance. Dr. El-Torgoman has established the basic vision for the mortgage market in Egypt as, "Everyone should own a home of which they will be proud." He also believes that the real estate market is the basis for future economic stability and development in Egypt. Consumers currently have the belief that real estate transactions need to take place by having the full cash amount. A major awareness campaign focused on the value of home ownership is needed. Additionally sessions on credit, home finance, managing family money and mortgage awareness is required.

Other Observations:

- o Currently most transactions are handled with cash.
- o Existing mortgage products
  - o 10-year adjustable rate mortgage. Adjusts annually. Rate is based on prime rate plus 4% administrative fees. (time frame can be up to 20 years based on the mortgage company)
  - o Low-income product - 10-year adjustable rate mortgage. Adjusts annually. Rate is based on prime rate plus 4% administrative fees. Up to 5 or 6% of the interest is covered by the government. There is a cap on the amount of salary.
  - o Various fees for administrative processes, fire insurance, life insurance and low-income housing allocations are also added on to the mortgage and can account for up to 4% of the loan amount.
  - o The mortgage companies require a standard 20% down payment.
- o Decisions regarding the development of a mortgage market have current assumptions being largely based on western lending practices. An independent

contractor has provided some baseline consumer data that suggests that banks reflecting Islamic practices will need to be included in the development of the full real estate system.

- o Real Estate Brokers earn 2.5% for the selling agent, and 2.5% for the listing agent
- o Mortgage Brokers earn 1% of the loan amount.
- o The standard in the country is for real estate brokers not to have an exclusive agreement with the seller. ERA has been the first to deliver an exclusive real estate contract that should become the standard in the country overtime.

### **III. Industry Issues and Challenges**

- Due to the lack of standards with regard to forms and contracts there is an inherent challenge in developing training amongst all the players in the industry.
- Without a formal working title and registration system, mortgage lenders will not be able to mitigate risk effectively, implying the market will be limited. It is estimated that more than 90% of properties are not registered.
- It appears there is no standardized process to loan origination. This is due to not having forms, trained employees, enough loans to process, etc.
- Current processes appear to not be streamlined. They need to be reviewed, streamlined and integrated with a standard operating procedure based on best practices.
- Without a standardized foreclosure law there is no clear process to close on a property.
- It is estimated that more than 95% of transactions are handled strictly in cash. Educating consumers to understand the mortgage process will be a significant challenge.
- There is no secondary market. Without a secondary market there is a significant limitation to mortgage funding.
- There are currently two mortgage companies. To deliver mortgages to the 22 million people in Cairo alone will require many more mortgage companies will be required to become players in the real estate finance market.
- There is no law in effect regarding late payment fees or prepayment penalties
- Consumers could face rising payments due to the one loan product having an annual adjustment based on the prime rate. There appear to be no caps to interest rates.
- There is no credit rating system in Egypt today. Evaluating credit is based on a simple manual process of checking some documents. It appears to be a very qualitative process.
- There is no governing body over underwriting guidelines.
- The mortgage process appears to be applicable to both commercial (multifamily) and residential properties.
- With regard to multifamily properties, there needs to be a defined payoff structure for blanket mortgages (500 units as an example). A value would need to be detailed for each unit, etc.
- There is a need to discover requirements for assumptions of mortgages. The law appears to allow for assumptions but doesn't seem to state the specifics. Specifics about the substitution of liability need to be identified.

#### **IV. Questions Remaining Unanswered**

We provide this list of questions just to document some thoughts. These either did not come up in our interviews or discovery process, or they continue to be a question in our minds. Many of these have issues that need to be resolved and all impact training.

- Which governing body will establish standardized underwriting guidelines to ensure consistency in the mortgage market?
- Consumer disclosures do not seem to be in place. When the rate of the central bank increases does a consumer know that his loan will move from perhaps 10 years to 12 years? Is this practice considered to be a standard and a best practice for the industry?
- How are developments currently funded?
- We assume the government receives taxes based on property assessments. How are they paid? When are they due? We heard no mention of the term escrow. What is going on here?
- There was mention of an 11% assessment for transference of property. What is this process?
- The notary republic seems to have broad powers that directly impact the processing of mortgages. Who manages this? How can this process be changed, expedited, etc?
- Regarding the life insurance and fire insurance. Is this always required on every loan? Who provides it and how is it paid?
- How does the appraisal process work? Comps, etc. We have not seen the appraisal forms and will need to teach how to analyze these for underwriting, fraud, etc.
- Do loans include prepayment penalties? Is there a late payment charge?
- How is a loan modified if the term is extended?
- How is the borrower notified of an interest rate change and term change?
- We have been provided copies of more than 8 relevant laws, acts, or civil code. A full layman's interpretation of all relevant and applicable laws is necessary immediately. It is an absolute requirement as a foundation for regulatory compliance and real estate law training.

## V. Mortgage Company Training Review

### Taamir Mortgage Corporation

Current status

55 employees, of which 40 are technical people dealing with mortgage banking.

7 basic departments:

- Operations
  - Commercial
- Credit
- Legal
- Appraisal
- Financial
- Technology
- Administration/HR

It is worthy to note that there is not a department for underwriting, processing, quality control, closing, etc.

Other Observations:

The company is operated by “90 percent” junior staff that is in need of direction and training. Because of the organization size, number of employees in each department, and a lack of standards in forms, processing, etc. it is recommended that this training take a number of different formats. Mainly however, there is a need of a consultative training approach. Specifically a set of long-term consultants and trainers should assist in advising key departments on processing over the long-term. It is further advised that all employees receive basic training through the web-based tools that are specific to job function.

- The company has funded 18 mortgages to date. Of these 10 came from a “broker”. Most represent single-family units or homes.
- LTV is based on amounts before financing and processing fees.
- Loans can be for no more than 80% of the value of the improved property.
- Mortgage payments cannot exceed 40% of gross income.
- If the central bank changes its rate the time of the loan changes for the consumer, but the payment always remains the same for the life of the loan. Meaning that a 10-year loan that is initiated at 14% would be extended if during the course of the loan the central bank raised its rate.
- Loan product can be any amount of years up to 20. Meaning you could have a 17-year mortgage.

### EHFC

Current Status:

Currently have 50 million pounds to lend

Approved up to 100 million pounds to lend

Started officially 5/23/2005

18 employees of which 15 are technical mortgage employees

2 call center employees who take calls and pass to a loan officer

5 basic departments:

- Customer Service
- Accounting and Financial
- Legal
- Engineering
- I.T. - Technology

It is worthy to note that there is not a department for underwriting, processing, quality control, closing, etc.

Other Observations:

- Advertising currently taking place in radio and magazines (ERA, Coldwell Banker)
- 18 loans funded – although this was qualified by saying none actually have a “mortgage”. All are currently in limbo with the notary republic offices.
- 7,000 calls taken through call center (60 days)
  - o 35% of callers represent qualified prospects
  - o They conduct a pre-qualifying questionnaire through call center
- 10 year loan product only
- Targeting customers that have a monthly income of 3500 Egyptian pounds
- Comment made that when the mortgage law passed, “the original impression from consumers was that of deception”. Implies consumers believed the law inferred they would be able to get a house immediately because of the mortgage law.
- Due to registration issues, they are attempting a strategy that targets new developments. They believe this can assist them in circumventing registration issues by leveraging the original owner of the development and getting registration information for all original owners of properties.
- Concerned about competition from banks that can offer a 7-year personal loan up to 250k Egyptian pounds. The process for this type of loan is simpler, faster, and streamlined.
- They have a loan origination system from their investor. The system is called ILPS, Integrated Loan Processing System. It has been used in India.
- A major investor is ever present at the company. He is knowledgeable and brings best practices from a working large-scale mortgage company based in India.
- Believes there are 4 ministries involved in decision-making regarding mortgage loans.
  - o Ministry of Investment – MFA
  - o Ministry of Justice – Notary Republic
  - o Ministry of Housing
  - o Ministry of Finance
- The company follows a loan approval process, facilitated by their technology system. At this time all loans being funded are approved by both the investor (Mr. Apte) and the CEO (Ms. Bassiouni).

## **VI. Recommendations, Opportunities and Potential Next Steps**

1. All industry players (banks, mortgage companies, mortgage brokers, real estate brokers, appraisers) should begin specific training on the mortgage process. To

begin to build the capacity required and to be ready for when the consumers begin to really want mortgages, a full multi-faceted training program needs to begin. It is recommended the training plans included with the MBA deliverables of this contract all be implemented.

O It is recommended that El Taamir Mortgage Company have access to consultative training for a long term. This would include an onsite specialist at various times through out the year that would conduct small group training on job specific content. These advisors would be available throughout at least the next year. Taamir employees would all benefit from job specific web-based courses.

2. There is a real opportunity to bring together a regional (Middle East Region) mortgage banking conference. The conference could bring partners like the MBA, the EYBA, USAID Financial Services Project, the EMBA as well as regional banks, international mortgage corporations, vendors, etc. The MBA could either take a consulting role, or take a lead role in this project by:
  - o Handling logistics with a hotel
  - o Calling for presentations both within the region and globally
  - o Developing and distributing marketing materials
  - o Coordinating the effort with the local associations and USAID – Financial Services Project
  - o Setting a business precedent for delivering an effective conference that can be replicated annually. The MBA may participate in the first conference, or the first three. Then establish the best practices and operational procedures of the conference and pass the leadership over to one of the identified associations.
  - o Identifying financial institutions from around the globe that will be interested in participating in such an event, and possibly investing in Egyptian mortgage banking
3. Most employees of banks and mortgage companies have Internet access. In an effort to reach the broadest audience of students distance learning methods need to be employed. It is recommended that web-based courses be developed in major mortgage banking topic areas and offered through the EMBA. MBA can modify existing courses and partner with the EMBA for continued delivery. An example of courses that have an immediate need include the following:
  - o Egyptian Mortgage Banking Basics
  - o Processing from A to Z
  - o Egyptian Mortgage Origination 101
  - o Egyptian Mortgage Brokering
  - o Regulatory Compliance for Egyptian Mortgage Industry Professionals
  - o Essentials of Underwriting
  - o Fraud Detection and Deterrence
4. Basic forms and procedures need to be developed and standardized. It is recommended that these forms be developed, created and then authorized and made available from the MFA. The MBA can develop the forms in

conjunction with a task force of industry participants and legal advisors. It will then recommend to the MFA the adoption of the forms. At that time the MFA would identify them as a standard by which all mortgage transactions would be required to include.

5. Basic reference materials on the mortgage market need to be created. It is recommended that materials either be created to support the industry or the MBA modify existing publications to reflect industry processes. These publications include but are not limited to:
  - o Handbook of Mortgage Lending
  - o Handbook of Mortgage Processing
  - o Handbook of Collections
  - o Handbook of Loan Administration
  - o Startbank
  - o Regulatory Compliance: An interpretation of the Law
6. Consumer training is needed in two areas: “Financial Literacy” and “The Home Buying Process”. It is recommended that a full awareness, information and training program be developed for consumers. It should include all the players in the industry and provide them with tools, courses and information to provide to consumers.

The information provided by another EFS consultant with regards to baseline consumer data is extremely important. It identifies many issues with regards to consumer information. MBA can develop and deliver consumer training, consumer materials, or train the trainer type consumer training. A full plan needs to be developed but, one initial idea would be to develop and deliver training as follows:

- o Mortgage Broker train-the-trainer program (we currently offer a program in the States called “Creating New Customers”).

Provide mortgage brokers, loan officers with a kit that will allow them to conduct home ownership workshops

To increase reach, it would be envisioned that this would have a no cost attendance for industry professionals. They would need to guarantee that they would deliver homebuyer workshops to at least 10 people within a 90-day timeframe.

Over time these workshops could be delivered by one of the associations.

7. It is recommended that EFS begin a multidimensional, multi-pronged (brokers, bankers, consumers, government officials) media campaign. MBA can assist EFS with the development of this media plan. This should be delivered in conjunction with consumer training outlined above. This would include the development of:
  - o A media kit for local, national and international press
    - Work with Egyptian newspapers to place stories, press releases and other information regarding mortgages
    - Feature Egyptians that have successfully been through the process and show them as champions and early adopters
    - A classroom style training for media personnel

- o High-level “Basics of Mortgage Banking” (process, jobs, economics, community development)
  - o Review of consumer issues (financial literacy, importance of credit, mortgage)
  - o A media plan for consumer awareness
  - o A media plan for international investors and international banking organizations
  - o A media kit for those Egyptian business people and entrepreneurs wanting to start a mortgage bank in Egypt
  - o A media kit for banks already doing business in Egypt
  - o Brand development
  - o Consumer website
    - Mortgage process information
    - Status of the USAID project
    - Information and links to the mortgage finance companies (Taamir, EHFC, etc.)
    - Information on real estate with links to companies (ERA, Coldwell Banker)
8. It is recommended that a coalition be created that represents all players in the mortgage banking process. This coalition could be facilitated by MBA (possibly an international “branch” of the MBA) or EFS in the early stages. It could have at least quarterly meetings, with possibly monthly conference calls on specific topics. It would make an excellent way to share information throughout the industry. The coalition would include, but not be limited to all:
- o Universities teaching real estate finance in Egypt
  - o Associations related to real estate finance
  - o All training organizations related to real estate finance
  - o All mortgage companies
  - o All banks that have mortgage divisions
9. It is recommended that an e-newsletter be created and distributed to all parties interested in real estate finance in Egypt. It should be a review of hot topics, laws pending, interpretations of laws, EFS happenings (surveys, status, etc.) best
- industry practices and a review of key players in the industry. MBA can create and deliver this e-newsletter each month in an HTML format. It would be anticipated that all players would participate and/or be willing to offer contributions to the writing of articles.
10. The law requires mortgage brokers to complete a standardized test. In an effort to build capacity through increasing mortgage brokering as a profession, it is recommended to streamline this process. MBA can create, and deliver the MFA mortgage broker standardized test. Currently a MFA committee reviews each mortgage broker. MBA can develop, create and provide this test using an auditable Internet based assessment tool. An MFA committee could approve of each question used in a question bank or pool. The online assessment would be updated regularly to reflect current practices. This can become a revenue-generating product for the MFA.
- o In conjunction with the broker standardization test, MBA can develop an online registry for certified mortgage brokers (and appraisers).

11. Transactions are being handled with out appropriate technology infrastructure. In fact, Taamir currently is using Excel spreadsheets in a Microsoft network environment to move loans around their office. Company executives mentioned they are currently looking for a loan origination system. This is something that costs a lot of money and a bad decision can be disastrous. MBA can offer consulting with vendors with regard to loan origination and servicing systems.
  - o MBA is the leader in developing technology standards called MISMO (Mortgage Industry Standard Maintenance Organization).
12. MBA suggests certification and designation programs are developed in major areas of mortgage banking. These programs could be adopted from the US programs and be delivered or licensed through the EMBA. Suggested certification and designation programs include:
  - o Certified Mortgage Banker (CMB)
  - o Certified Residential Underwriter (CRU)
  - o Certified Mortgage Technologist (CMT)
  - o Certified Mortgage Servicer (CMS)
  - o Accredited Egyptian Mortgage Broker (AEMB)
13. There is an opportunity for the MFA to utilize our concept of “giving back to the industry”. Basically as a requirement or as an option for continuing education towards any required certification (currently mortgage brokers and appraisers), continuing education would be a requirement. MFA should define the number of hours of CE that should be taken every year. Then it should give options of where and how that CE could be received. Some options may be to take coursework through local associations, but another option may be to lead training, or sit on an MFA committee, or assist the MFA in some other way. This concept could do a lot to help MFA leverage experts and build capacity.
14. MBA is willing to offer consultative services to Task 1 with regard to prioritizing the many complex issues needing attention in the development of the primary market.

## **Annex**

### **Summary Of Associations Review**

To develop a mortgage banking system in Egypt many people need to learn many things. EFS is attempting to build capacity of knowledge with the players in the industry. To accomplish this, EFS is working with organizations such as the Appraisal Institute and the Mortgage Bankers Association. These groups can never deliver all of the training, education and awareness required for all of the players in the industry. The Egyptian mortgage banking system needs to be self sufficient, independent and empowered to deliver loans; products and services to a growing constituency of what could become more than 70 million Egyptians.

A review of known relevant associations, institutes and major universities was conducted. The review focused on four associations (Egyptian Real Estate Association (2 different groups have this name), Egyptian Young Bankers Association, and the Egyptian Mortgage Brokers Association. The Egyptian Banking Institute as well as the American University in Cairo, and Cairo University were also reviewed. The purpose of the review was to determine which groups could provide ongoing and continuous training to differing groups of needs. The review looked at current activities, professionalism of programs, types of content, and facilities.

None of the organizations is currently delivering any training directly related to mortgage banking. Specifically no training is currently being conducted on loan origination, loan processing, underwriting, servicing, quality control, fraud, secondary marketing, consumer financial literacy, etc. Training is being conducted on appraisals and the basics of real estate.

In conclusion there are a number of organizations in Egypt which can handle delivering quality training on all aspects of real estate finance. In most cases these groups have no experience with the delivery of training for mortgage bankers or mortgage brokers. With some detailed preparation and training on the concepts, processes, strategies and economics involved with mortgage banking, many of these groups will be great distributors of knowledge.

## **Association Review**

The following is a review of each of the known relevant associations:

### ***Egyptian Real Estate Association***

Chairman Dr. Ali Mehilba

#### **Background:**

Dr. Mehilba leads the EREA and has a small full time staff. He is a knowledgeable, passionate, and energetic real estate professional. He comes from a family that has been in real estate for generations. He teaches a course a 6-day real estate marketing course at the American University in Cairo. The association was started 5 years ago after his attendance at a NAR meeting in San Francisco.

#### **Observations/Recommendations:**

Dr. Mehilba is extremely knowledgeable about the Egyptian real estate market. He has great strengths and knowledge particularly in the “realtor” space and with regard to marketing and sales of consumer real estate. He also has a strong background in consumer needs and would be particularly useful in assisting with the development of consumer education. He would be a great instructor in a course discussing the front-end of the business process. His association appears to be struggling for membership. There appears to be little or no incentive for brokers to participate in his association.

### ***Egyptian Young Bankers Association***

Minoush Abdel-Megied

#### **Background:**

Ms Abdel-Megied is the President and Chairperson of the Board of the EYBA. She founded the association just over three years ago. She is bright, articulate and focused on the banking part of the business. The association has roughly 500 members today and appears to be a healthy and growing enterprise. The basic association business model is membership dues, which appear to be very low, training courses, and conventions. While courses are attended well, her biggest challenge is in finding financing to continue operations.

#### **Observations/Recommendations:**

The association appears to be on the verge of an announcement regarding a partnership and grant opportunity (USAID) with the Wharton School of Business. The partnership would involve EYBA creating an online journal entitled, “Arabia Knowledge at Wharton”. The partnership would also create an executive education-training program. EYBA utilizes industry professionals to deliver relevant courses to the banking community. The mortgage process and mortgage banking do not appear to be a priority to this group at this time. When mortgage becomes a priority to EYBA, then EYBA would

make a good organization to have some type of partnership with the MBA. Specifically EYBA could bring assets to a regional banking conference with a theme of “Mortgage in the Region”. EYBA could also partner with the MBA in developing online learning and publication delivery.

### ***Egyptian Real Estate Association***

Mr. Khaled Raseekh (not present)  
Ramy Taha  
Dina Abdel Khalek

#### Background:

Mr. Raseekh manages the EREA. The association has 65 members that are either real estate brokers or real estate agents. The association has been in operation for about 3-4 years, and consider themselves still in a formative stage. They have assisted the EMBA with some basic training. Specifically EREA has delivered an “Introduction to Real Estate Principles” course at the American University in Cairo. The program is an 8-week course.

#### Observations/Recommendations:

The association apparently has physical headquarters established someplace in Cairo. There is no apparent full-time staff at the association. Very knowledgeable staff members that are interested in making the mortgage system work lead EREA. The principals of the organization are based out of the ERA realty regional corporate office. They clearly would like the mortgage banking process to succeed to assist the ERA business model of selling houses to people utilizing mortgages. They are true champions of the mortgage banking process. They are also pioneers in the establishment of the first exclusive listing system in Egypt. Some of the staff members would be valuable in delivering a training session on the mortgage banking process.

### ***Egyptian Mortgage Brokers Association***

Mr. Khaled Raseekh (not present)  
Ramy Taha  
Dina Abdel Khalek

#### Background:

Mr. Raseekh manages the EMBA. As presented by Mr. Taha, the association has 170 members that are all mortgage brokers approved by the MFA. This represents 100% of the mortgage brokers that have been certified in Egypt. This statistic alone makes this association a very important one representing the voice of the mortgage broker community. Membership does not appear to be mandatory, but is strongly recommended. The association is creating a Basics of Mortgage Brokering course to be delivered at the American University of Cairo. The program is an 8-week course.

#### Observations/Recommendations:

Because the association represents all of the mortgage brokers it could almost be considered a union. It has a defined committee structure and represents mortgage brokers

with the MFA and other Government agencies. At this time there are more mortgage brokers than the market demands. With 15 completed loans (based on comments from Ramy Taha) mortgage brokers are not keeping busy. To become a mortgage broker a person need not have any formal education but must pass a review given by the MFA. It is anticipated this MFA committee review will become a formalized assessment in the future.

Because the principals of this association are focused on the mortgage process, and because they see a direct reason for the process to succeed, and because they have 100% of the broker community, this group appears to be the best to support a partnership with regard to training and education. The association would be valuable in a partnership on mortgage broker training or in the basics of the mortgage banking process.

### ***American University in Cairo***

Mohamed Abdel Kader

Background:

The American University in Cairo has 6 basic courses of real estate instruction. The courses are:

- Introduction to Real Estate
- Legal Aspects
- Appraisal
- Marketing
- Sales and Brokering
- Property Management

The courses were originally offered in a basic semester format. Currently they are offered in a 5-day format with 3-hour sessions and offered sequentially. The main reason for the change is that the university is not certified by the MFA to train either brokers or Appraisers. They consider this certification a requirement to be competitive with the University of Cairo. Dr. Ali Mailbag from the EREA is also the coordinator of this program.

Observations/Recommendations:

The university is basically in the state of limbo. They do not know whether they will be permitted to deliver certification training for brokers and appraisers. They appear optimistic that they will come to some agreement with the MFA in the near future, but are not progressing with course offerings while in this state of limbo.

Practitioners in the field are offering their training and this seems to offer credibility to students. They offer courses in property management, which is a niche that no one else seems to be involved in. This could become an important future training opportunity.

### ***Egyptian Banking Institute***

Mrs. Nevine Dakroury

Background:

The Egyptian Banking Institute is the official training arm of the Central Bank and was established in 1991. Egyptian law requires all banks to participate with the Egyptian Banking Institute. Basically banks pay all fees for operation and training of the EBI. Each bank has an annual support fee based on number of employees. The bank then identifies employees who should attend training. Trainees take courses typically in the evenings or on Saturday. Courses are offered in three different levels of difficulty (elementary, middle level and high). Courses are offered in programs. Program titles currently include:

- Credit
- Hr
- Treasury
- Operations
- English for bankers
- Microsoft Certification for Security

Last year the law was amended to allow all elements of the financial sector to take advantage of the training from EBI. This is a significant change allowing mortgage banks, mortgage brokers, real estate sales professionals and appraisers the ability to utilize this resource. When these industry professionals participate in training they register on site and pay a fee.

**Observations/Recommendations:**

The Egyptian Banking Institute is a well-run training facility. It utilizes schedules, a library, technology enhanced training rooms, and professional staff to deliver training that is well done. We discussed a number of basic training models:

- Deliver a series of mortgage industry basics courses. Possibly an Egyptian School of Mortgage Banking I, Egyptian School of Mortgage Banking II, Egyptian School of Mortgage Banking III. This would fit well with their model of delivering three different levels.
- Each time subject matter experts come out MBA would deliver a seminar, which would be open enrollment for all students. The same 3-hour program would be delivered every day. They have requested we deliver an initial module entitled, “How a bank makes money selling mortgages”.

## ***Cairo University***

**Background:**

This entity was not reviewed during the time of this contract. It is obvious Cairo University has been approved to deliver the certified training to both Appraisers and Mortgage Brokers. At this time they are the only approved provider of training for certification of these two professional types.

**Observations/Recommendations:**

It is recommended that other entities have the ability to provide approved training to appraisers and brokers.

## Industry Association Comparison Chart

Potential Training Partner	Number of Membership	Date Est.	Existing Training Courses	Facilities	Website
Egyptian Real Estate Association - Dr. Ali Mehilba	Full Member Affiliate Member Total - 40	2000	Real Estate Marketing – 6 day course	-Uses AUC facilities	<a href="http://www.gawab.com">www.gawab.com</a> Consumer Site <a href="http://www.egyphome.com">www.egyphome.com</a>
Egyptian Young Bankers Association	Corporate - ? Full (under 35 years old) 300 Associate (over 36 years old or vendor) 100 Student 100	2002	Various- -Retail Banking -Capital Markets -Commercial Investment	-Prefers use of hotels like Conrad -Has used Egyptian Banking Institute	<a href="http://www.eyba-online.com">www.eyba-online.com</a>
Egyptian Real Estate Association	65 members	Est. 2001	Intro to real estate principles (8 week program)	AUC	
Egyptian Mortgage Brokers Association	170 members	Est. 2001	Intro to mortgage brokering (8 week program)	AUC	
American University in Cairo	Hundreds of students in program		-English language for real estate -Legal aspects -Marketing -Appraisal -Intro to real estate -Sales and brokering	AUC	
Egyptian Banking Institute	All of the 250 banks are members and this organization represents thousands of students	1991	Various and many courses on banking -Starting a course on mortgage banking	2 locations in Cairo 1 in Port Said 1 in Alexandria 1 being built in Eastern Egypt	
Cairo University			-Appraisal -Brokering	Cairo University	