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EFS COUNTERPART BUSINESS ASSOCIATION COMPREHENSIVE REPORT: PROGRESS STATUS AND FUTURE PLAN

EGYPT FINANCIAL SERVICES PROJECT TECHNICAL REPORT #74

January 11, 2006

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DATA PAGE

Submitted by: Raymond Struyk, Chief of Party
Egypt Financial Services (EFS) Project
4 Hayet El Tadrees Square
Dokki, Cairo, Egypt
Tel: (20) 2 762-6140 Fax: (20) 2 762-6150
www.egyptfs.com
Contract No. 263-C-00-05-00003-00

Submitted to: EFS CTO: Paul Bruning
EFS DCTO: Ingi Lotfi
Private Sector Programs
Office of Policy and Private Sector
USAID Mission to Egypt

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

KRA: 1.3 Real Estate Professions Stimulated, Industry Brought to International Standards & Other Services Developed

Activity: 1.3.3 Conduct Basic-Level Training for Targeted Associations that are Established or in Preliminary Stages of Establishment

Author: Noha Sobhi Ali

Managed by: Manal Shalaby, Task 1 Team Leader

Reviewed by: Manal Shalaby

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TABLE OF CONTENTS

ACRONYMS	i
ACKNOWLEDGEMENTS	ii
EXECUTIVE SUMMARY	iii
SECTION I: INTRODUCTION.....	1
REPORT SCOPE.....	1
REPORT PURPOSE.....	1
REPORT METHODOLOGY	1
SECTION II: EFS PARTNER ASSOCIATIONS	4
A. THE EGYPTIAN ASSOCIATION FOR REAL ESTATE APPRAISERS (EAREA)	4
Background	4
EAREA’S Vision	5
EAREA’S Mission.....	5
EAREA’s Six Strategic Objectives.....	5
EAREA SWOT ANALYSIS.....	6
PROGRESS STATUS OF EAREA’S BUSINESS PLAN	6
FINDINGS	11
RECOMMENDATIONS	13
CONCLUSIONS.....	16
B. THE ARABIAN REAL ESTATE ASSOCIATION	17
Background	17
Vision Statement	17
Mission Statement.....	17
Strategic Objectives	18
SWOT ANALYSIS	18
PROGRESS STATUS OF AREA’S BUSINESS PLAN	19
FINDINGS	22
RECOMMENDATIONS	22
CONCLUSIONS.....	23
C. THE EGYPTIAN MORTGAGE ASSOCIATION	25
Background	25
Vision Statement	26
Mission Statement.....	26
Strategic Objectives	26
SWOT ANALYSIS	27
PROGRESS STATUS OF AREA’S BUSINESS PLAN	27
FINDINGS	30
RECOMMENDATIONS	32
CONCLUSIONS	33
SECTION III: EFS NEW TARGETED ASSOCIATIONS	35

A. EGYPTIAN MORTGAGE BROKERS ASSOCIATION	35
Background	35
Vision Statement	35
Mission Statement.....	36
Strategic Objectives	36
SWOT ANALYSIS	36
FINDINGS	37
B. THE MORTGAGE BROKERS ASSOCIATION.....	39
MBA Vision.....	39
Mission Statement.....	39
SWOT ANALYSIS	39
FINDINGS	40
C. PROGRESS AND RECOMMENDATIONS FOR MORTGAGE BROKERS GROUP	
.....	41
PROGRESS.....	41
RECOMMENDATIONS	42
D. EGYPTIAN ASSOCIATION FOR FORECLOSURE AGENTS (EAFA)	45
Mission Statement.....	45
SWOT ANALYSIS	45
FINDINGS	46
RECOMMENDATIONS	46
 ANNEX A: KEY FINDINGS	 48
 ANNEX B: KEY RECOMMENDATIONS.....	 51
 ANNEX C: ASSOCIATION'S BOARD OF DIRECTORS PROPOSED ORIENTATION	
WORKSHOPS	56
ASSOCIATION MANAGEMENT LATEST TRENDS TRAINING PLAN MATRIX	57
 ANNEX D: EFS COUNTERPART ASSOCIATIONS ACTION PLAN.....	 59

ACRONYMS

AI	Appraisal Institute
AREA	Arabian Real Estate Association
CUREC	Cairo University Real Estate Center
CBE	Central Bank of Egypt
CSO	Chief Staff Officer of an association
EAREA	Egyptian Association of Real Estate Appraisers
EBI	Egyptian Banking Institute
EFS	Egypt Financial Services Project
EAFA	Egyptian Association of Foreclosure Agents
EMBA	Egyptian Mortgage Brokers Association
EMFA	Egyptian Mortgage Finance Association
GOE	Government of Egypt
MBA	Mortgage Bankers Association
MFA	Mortgage Finance Authority
MFA AC	Mortgage Finance Authority Appraising Committee
MLS	Multiple-Listing Service
MOU	Memorandum of Understanding
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

The Egypt Financial Services Project (EFS) objective is to build the market infrastructure required for real estate financing and other forms of secured lending. Task 1 of the EFS Work Plan includes assisting real estate associations in establishing a support framework for the real estate finance industry in Egypt. Three elements of that overall objective of EFS include widening access and increasing the affordability of owner-occupied housing by lowering down-payments, lengthening maturities of housing finance, and lowering the effective interest cost of housing loans to ensure that banks and other primary lenders will be able to resell home loans or to otherwise obtain long-term funding. These three elements will help the formal-sector finance of housing grow to significant size in relation to national income and will help widen access to and lower the cost of financing for fixed and working capital. Business associations are thought to be an important part of establishing the framework to accomplish the EFS objective.

EFS has previously reached out to all real estate associations and collected baseline information to guide and determine the kind of development needed for private sector associations, and the technical assistance activities to build those associations. The following associations were identified to be EFS partner associations: the Egyptian Mortgage Association, and the Egyptian Association of Real Estate Appraisers. In addition, EFS facilitated establishing a third association for real estate brokers and agents, named the Arabian Real Estate Association.

In February 2006, EFS sponsored an Association Directors Orientation Session for the elected officials of the three EFS partner associations. This program concentrated on updating the directors on the latest trends and techniques in association governance and management. In the weeks after the EFS Association Directors Orientation Session, with assistance from EFS's consultant Larry Milner, and EFS Association Development staff, the associations' directors, through a series of three work sessions, developed their associations' business plans and start-up budgets.

Approaching the end of the developed business plan timeframe, EFS is reviewing and assessing the progress of the associations, and measuring their success in carrying out planned activities.

The EFS assistance strategy to its partner business associations in 2007 needs to be reviewed. EFS should shift its focus to institutional building, rather than capacity building. The mortgage finance industry in Egypt is very emerging. Regulatory guidelines and industry standards need to be established. This is where associations should play a fundamental role in mediating between government and regulating agencies from one side, and the practitioners and private sector from the other side. Associations should concentrate on playing a significant role as a government cooperative partner rather than advocating against the government. Association work serves not only the professional development of members, but also the broader interests of borrowers and lenders working environment, as well as guiding the government and influencing the decision making process by connecting between regulators and practitioners.

Real estate brokers and agents, mortgage brokers and bankers, and appraisers play a special role in the development and workings of real property markets; indeed, they and other real estate professionals represent the "soft infrastructure" required to facilitate the

market. Their work ensures market liquidity and integrity and therefore lowers the risk for mortgage lenders. The market information they furnish brings necessary confidence to property transactions and enables market analysis and risk management. The importance of building these groups to stand as the voice of industry, and foster the growth of well-informed and trained professionals in the real estate mortgage industry, is inevitable for the growth of the mortgage finance industry. Associations seek to develop as a self-regulating organization, aiming to establish guidelines and industry standards required to facilitate mortgage practices.

The Egyptian Association of Real Estate Appraisers successfully lobbied on several matters to create better market conditions for the profession, in addition to effectively progressing with its business plan. EAREA leaders' efforts reflect a vision to develop the association to regulate, lead, and upgrade the appraising industry. EFS can support EAREA leaders in:

1. Lobbying efforts to empower positioning the association as the voice of the appraising industry, to perform a leading role in advocating for regulating business practices and upgrading industry standards; and
2. Providing the professional market with a high level series of professional training for licensing, continuous education, and license renewal.

All association activities and lobby efforts serve one of above goals. Both EAREA goals concur with EFS association development vision.

The Arabian Real Estate Association has well established the infrastructure to start on the right foot. Most importantly, the association board has shown great leadership and positive, active determination to create a progressive modern business association. AREA has the abilities and resources, in addition to a realistic program of work, yet the association needs to be guided to the gateway for policy advocacy. Association leaders have requested EFS technical assistance. EFS can focus its assistance to AREA in two areas: (1) by reviewing current legal status and introducing best practices in establishing a certification and regulatory frame for this group and, (2) by supporting the AREA in its advocacy, addressing regulators in these two matters.

1. Introduce best practices on the regulatory frame for this group, study current legal status, and identify a suitable approach to re-frame the legal status of this group.
2. Introduce best practices on establishing a certification system, and how to apply this system to the Egyptian market.

Egyptian Mortgage Association leaders do not have the capacity to develop the association into a viable organization and move rapidly up the scale of effectiveness. With board representation of employees of only two mortgage companies, there is little incentive to create a strong lenders organization. If the EMA board of directors' representation changed to include other new market players – companies, banks, and GSF, and if the merge of the mortgage brokers' two associations into EMA takes place, this could change the dynamics of both groups, lenders and mortgage brokers, and could considerably strengthen EMA as a sound lenders association.

EFS can support EMA leaders achieve both structural adjustments by securing MFA blessing and encouragement. EFS can also continue to endorse EMA involvement in delivering EBI mortgage professional training courses with association cadre of local instructors. Typically, EFS can support EMA as a certifying body with EBI for a Loan Officers Certification Program.

For the mortgage brokers group, there is a pressing need for developing a comprehensive, up-to-standard, professional mortgage brokers course, similar to those of appraisers and lenders, as well as conducting TOT sessions. Building on the available three professional training curriculums for mortgage brokers, EFS can support the mortgage broker profession in developing comprehensive programs.

The Egyptian Association for Foreclosure Agents has been established as a general association and currently almost all licensed foreclosure agents are members of the association. Association leaders want to see their association making a difference in the business; it seems that they will devote needed time and effort to progress with activities, similar to the educational upgrades pressing need of a mortgage brokers group, and, as requested by association leaders, EFS technical assistance to develop a comprehensive, professional, training program to qualify foreclosure agents for licensing.

SECTION I: INTRODUCTION

REPORT SCOPE

The purpose of this research work is to produce a comprehensive report about all FES counterpart business associations, namely:

1. Egyptian Association for Real Estate Appraisers
2. Egyptian Mortgage Finance Association
3. Arabian Real Estate Association
4. Egyptian Mortgage Brokers Association
5. Mortgage Brokers Association
6. Egyptian Association for Foreclosure Agents

REPORT PURPOSE

- The report aims to provide updates on the current status of professional real estate business associations
- Review the status of implementing the recommendations proposed in the Business Associations Technical Assistance Report # 68, previously prepared by EFS
- Conduct a preliminary needs assessment to identify the technical assistance needed for associations
- Propose a future plan on different opportunities of collaboration with different associations

REPORT METHODOLOGY

The following actions took place to carry out the assignment.

Business Plans

The first three associations were approached by the EFS project in mid-2005. In March 2006, with the assistance of association expert Larry Milner, and EFS association development staff, initial needs assessment; strategic and business plans were developed for three associations: Egyptian Association for Real Estate Appraisers, Egyptian Mortgage Finance Association, and the Arabian Real Estate Association. These business plans have detailed the activities and needs of what the association should and needs to do in the following areas:

1. Institutional building needs and plan.
2. Policy advocacy issues.
3. Member services (mainly educational training programs).
4. Membership development plan.
5. Networking and events.
6. Communication and outreach programs.

Board Meetings

Based on these business plans, several phone calls and meetings with association board members, on an individual basis, took place. The purpose of this action is to assist the consultant understand the hidden agendas and balance of power within the associations board, as well as members, which allows EFS to have a complete picture about relationships and conflicts which might be affecting the overall performance and progress of the association.

Meetings aim to identify:

1. Association's current status and progress.
2. Implementation status of the business plan (provides status and progress report).

The following meetings took place:

1. Appraisers Association/individual meetings with: Dr. Anis (Chairman), Eng. Amin Said (Secretary), Eng. Ehab El Bahrawy (Treasurer).
2. Mortgage Finance Association with Hala Bassiouny (Chairman), Abdallah Roshdy (Treasurer), Ashraf Ryad (Secretary).
3. Arabian Real Estate Brokers/all in one meeting: Hany Osman (Vice-Chairman), Mohamed Shalaby (Secretary), Lamia El Sadek (Treasurer).

Observation and Previous Experience

The experience of this consultant in working with EFS as a full-time employee, in the capacity of Association Development Specialist, was approached by EFS in mid-2005 in addition to participation with consultant Larry Milner in developing EFS partner associations' business plans. Previous exposure was used as a reference in this research. Day-to-day interaction, dealing with association board and members, as well as witnessing their progress, was used to guide in measuring the degree of their devotion and willingness to move forward with the association in the right direction.

New Targeted Associations

The Mortgage Brokers Association and the Foreclosure Agents Association will both be newly approached by EFS. Accordingly, contact was initiated with the association board of directors, and meetings were conducted with them.

Association Basic Information Kits were developed to be used as a base for gathering information and assessing the situation of these two new associations through meetings with the associations' board of directors. Meetings with both associations' board members took place.

Below is the information kit which was used with both associations to assess their status and suggest a future plan:

1. Association full contact information (name/Arabic and English, address, phone no., fax no., email address, website)
2. Association vision
3. Association mission
4. Founding documents (registration number and date)
5. Association bylaw

6. List of board of directors, with full contact information (name, company, position, telephone, address, email address)
7. List of board of trustees, with full contact information (if it exists)
8. Association committees
9. List of association members, with full contact information (name, company, position, telephone, address, email address)
10. Organizational chart (number of paid staff, positions, departments)
11. Association membership structure (membership categories and dues)
12. Association fee structure for services
13. Income generating activities (non-dues income services)
14. Association strategic plan
15. Association action plan
16. Association activity history (training courses, workshops, seminars, conferences, events, advocacies)
17. Sample of association publications (newsletters, brochures)
18. Code of ethics (copy, if available)
19. Status of website
20. Understanding of regulatory procedures needed for association professionals
21. Specialized training programs foreseen for future development
22. Pressing advocacy issues to be addressed
23. List of organizational needs, technical assistance, anticipated projects/services, potential financing agreements.

SWOT Analysis

Strength – Weaknesses – Opportunities – Threats Analysis for all associations was developed to help EFS weigh association potential and help decide upon priorities and kinds of assistance to be offered to business associations.

SECTION II: EFS PARTNER ASSOCIATIONS

A. THE EGYPTIAN ASSOCIATION FOR REAL ESTATE APPRAISERS (EAREA)

Every house or apartment on the market should be appraised. The appraisal process is very much needed in Egypt, and the appraisal is the basis for determining the price of a house or an apartment.

The Egyptian Association for Real Estate Appraisers is an emerging association, established in February 2005, and headed by Dr. Ahmed Anis, Director of the Real Estate Appraisal Center at Cairo University. Dr. Anis also serves as a board member on the MFA Board of Directors, and heads the Appraisal Committee at the MFA. The Appraiser Association Board has 7 members, including the chairman.

Background

According to EAREA's latest review, which was conducted by EFS in March 2006, the status was as follows:

The Appraisers Association had 45 members under two membership categories: full member, and affiliate member. Seven members serve as the board of directors.

The Egyptian Association for Real Estate Appraisers collaborated with other organizations to conduct three events:

- 1) InterBuild conference and exhibition, at the International Conference Center in June, on proposed appraiser's code of ethics and the importance of standards of professional practices.
- 2) Seminar on "Building an Egyptian Real Estate Database", held at Cairo University, in August (the Egyptian Association of Real Estate Appraisers, in cooperation with the Ministry of Administrative Development, organized this event). Both events were well-attended by members of the association.
- 3) Egyptian Association of Real Estate Appraisers (EAREA) Ramadan Iftar, in cooperation with the Cairo Institute Center for Real Estate Appraisers, for members and partners of both organizations. The event was attended by the MFA Chairman, Osama Saleh.

The Egyptian Association of Real Estate Appraisers membership application to the General Secretary of the International Valuation Standards Committee (IVSC) was successfully accepted. Association application to the committee was supported and recommended by EFS Appraisal Institute (AI) consultants.

EFS engaged the Appraisal Institute to assess existing appraisal programs in the sector as a whole, and to offer and recommend training programs needed in the Egyptian market. The effort began in February 2005. Appraisal Institute consultants coordinated with local appraisers, nominated by the Egyptian Association of Real Estate Appraisers, and conducted an assessment of the appraisal market to develop and localize course materials to fit the Egyptian market. Five appraisal training programs were developed and TOT was delivered to association members to create a cadre of local trainers to deliver these courses to a larger audience.

Currently, the Real Estate Center at Cairo University is the only acknowledged training provider for the professional appraising certification needed for licensing. This Center is headed by Dr. Ahmed Anis, Chairman of the Appraiser Association. All five developed courses are currently in the process of being merged with Cairo University Real Estate Center material to produce one comprehensive appraising course. This process is carried out by a team of experts – some from the Appraisers Association members and local instructors, and some from Cairo University Real Estate Center, headed by Dr. Ahmed Anis.

In March 2006, EFS conducted a Board Orientation Workshop on latest association management trends, where the board of the Appraisers Association attended and participated, followed by 3 consultancy days offered by the EFS association development consultant with each association's board members. As a result, strategic plans and detailed business plans were developed for the rest of the year of 2006 activities. This activity aimed to build the Appraisers Association to well-represent and advocate for the interests of the members and the profession.

EAREA'S Vision

Over the next five years, the Egyptian Association of Real Estate Appraisers will:

- Become a vibrant, professional, organization that creates job opportunities for its members
- Continue to make available, for real estate transactions, sufficiently trained and tested appraisers, to ensure competent and independent judgment based on international standards

EAREA'S Mission

The association will achieve its vision by:

- Creating job opportunities for members
- Earning the credibility and public trust desired by professional appraisers
- Obtaining approval on its new code of ethics
- Developing the Egyptian supplement of the International Valuation Standards
- Giving the participants in the Egyptian real estate industry the assurances needed when accepting appraiser reports from EAREA members
- Establishing educational programs to enhance the profession

EAREA's Six Strategic Objectives

Strategic Objective One:

Public policy advocacy to strengthen the appraiser profession in the Egyptian market

Strategic Objective Two:

Institutional building to strengthen the association

Strategic Objective Three:

Educational program for association members

Strategic Objective Four:

Setting a standardized ethical framework for the appraiser profession

Strategic Objective Five:

Membership development

Strategic Objective Six:

Networking opportunities

Strategic Objective Seven:

Communication programs to tell the association's story to stakeholders.

EAREA SWOT ANALYSIS

Strengths:

- Charismatic and well-connected chairperson (Director of Training Center authorized to give the appraisers training on MFA Board of Directors, and MFA appraising committee)
- Chairperson is very responsive and cooperative with EFS
- Members are very knowledgeable/well-educated and all eager to regulate and update the appraisal profession
- Membership base is adequate, and has a lot of potential to grow
- Members are very active in participating in all association events as well as EFS activities
- Despite limited financial resources, EAREA has organized several workshops and networking activities

Opportunities:

- EAREA can play an important role in public policy advocacy
- EAREA can build a strategic partnership with Cairo University Real Estate Center
- Association can play a prominent role as a training provider

Weaknesses:

- No independent premises
- No staff
- No communication tools/brochure

Threats:

- Concerns regarding members access to decision making

PROGRESS STATUS OF EAREA'S BUSINESS PLAN

Below is a detailed review and progress status for EAREA 2006 planned activities.

Strategic Objective One:

Public policy advocacy to strengthen the appraiser profession in the Egyptian market

1. Request the enforcement of the Central Bank directive requiring insurance companies, banks, and the judicial system to use the services of licensed appraisers.

Progress on this activity stands as a major indicator on EAREA's performance. As per the latest assessment conducted for associations in March 2006, EFS consultant Larry Milner has concluded that any efforts to assist EAREA could be put on hold until the above impediment has been changed, because very few professional appraisers would join the EAREA since they are unable to "make a living" as appraisers, and associations do not develop with very few members.

According to the EAREA participants in the strategic planning session, the fact that, (1) the Central Bank directive is not being enforced, and (2) very few mortgage loans are being made in Egypt, creates a very dire set of circumstances for anyone in the appraisal business.

EAREA's Board of Directors led by Chairman, Dr. Anis, gathered forces with MFA support and successfully lobbied for the enforcement of using the services of certified appraisers in insurance companies, the Central Bank of Egypt, and in the judicial system. Currently, EAREA's leaders are working on a new lobbying activity. They want to hold a roundtable discussion targeting the Central Bank, along with commercial banks' leaders, to discuss appraiser fees. Appraisers fee rates for their services is stated by law, but banks do not abide by it; banks hire appraisers based on their rates, which affects work quality.

Successful accomplishment of EAREA's first advocacy effort to achieve its prime strategic objective corresponds with EFS's approach in positioning associations as lobbyist groups.

Strategic Objective Two:

Institutional building to strengthen the association

1. Develop staffing plan for the association.

The association decided to hire a full-time coordinator sometime during 2007 to execute the EAREA training plan. EAREA developed a training plan for 2007 based on organizing 2 seminars per month, and targeted around 20 participants for each seminar. Members have to attend at least 6 seminars per year as a pre-requisite for license renewal.

2. Develop headquarter plan for the association.

The Association did not develop any plans regarding obtaining independent premises. EAREA premises are still a room at Dr. Anis' office.

3. Conduct fundraising program.

EAREA developed two fundraising tools. The first is a printed membership certificate for 50 L.E./year. The second is the annual training plan. EAREA will organize two roundtables per month. Participation fees will cover expenses with a small margin of profit. Dr. Anis and EAREA appraisers clarified that these seminars will be held in cooperation with Cairo University Real Estate Center, where the venue is highly equipped, and the cost of the premises is minimal.

Strategic Objective Three:

Educational program for association members

1. Develop training plan for professional continuous education.

EAREA leaders developed a professional continuous education annual workshop program for 2007. Continuous education aims to increase the up-to-date exposure provided to practitioners. According to this training plan, EAREA will organize 2 workshops per month to discuss ongoing industry matters. Members will have to attend at least 6 workshops per year as a pre-requisite for membership renewal – noting that EAREA membership is a pre-requisite for license renewal. Accordingly, appraisers will continuously participate in their association's events for continuous education.

2. Develop professional, updated, training programs for license renewal.

In cooperation with Cairo University Real Estate Center, EAREA developed and delivered the first round, with 20 participants in each of the two professional updated training programs: IVS and Code of Conduct. These are two courses that the association's leaders stated were not covered in the appraisers certification training they attended to acquire their license. EAREA lobbied the MFA to officially make attending and passing an exam in these two courses a pre-requisite for license renewal.

To perform this activity, EAREA conducted training assessments to identify industry matters requiring updates. Accordingly, two training programs were developed and cooperated with a powerful, strategic counterpart. Cairo University Real Estate Center then advocated the MFA to officially acknowledge the training delivered by the above partnership as a pre-requisite for license renewal. By successfully completing this activity, EAREA is continuing to pursue playing its role in policy advocacy and build itself as a self-regulating entity guiding business practices and setting the market standards.

3. Conduct programs for upgrading professionals' levels.

EAREA submitted a proposal to the MFA for advancing appraising professionals' levels. The proposal is still being studied at the MFA. The proposal created an appraiser-under-training level. Trainees at this level work under the supervision of a certified appraiser for 3 years, in which he/she has to register – at the association or at the MFA, not yet decided - a minimum of 6 reports annually. Attending upgrade training programs – yet to be developed - and passing an exam, are the second level pre-requisite - Appraiser B level. The appraiser spends a year at this level reviewing cases within half a million. The next step for Appraiser A is passing a review committee and oral exam. Appraiser A has to submit 150 reports, each within 15 million, for three years. The highest level is Commercial Appraiser, after attending a training program and passing an exam.

Cooperation between EAREA and EFS in this activity might take place. It was requested by the MFA to organize a workshop addressing the MFA board and Appraisers Association members to discuss creating professional levels. EFS

can assist in this activity by providing a presentation by an expert from IVSC on best practices in creating professional advancement.

Strategic Objective Four:

Setting an ethical and standardized frame for the appraiser profession

1. Obtain approval for EAREA code of ethics.

Codes of conduct for appraisers were developed, reviewed, and discussed in several events between association members, and were approved by the MFA. One of the update workshops developed and delivered by the association, in partnership with Cairo University Real Estate Center for license renewal, covers the code of conduct and discusses practical case studies.

2. Develop, finalize, and enforce the Egyptian supplement of the IVS.

Addressing this activity was postponed by association leaders after finalizing the Egyptian code of conduct. EAREA leaders clarified that efforts will take place in 2007 to perform this activity.

Strategic Objective Five:

Membership development

1. Several successful lobby efforts for the issuance of decisions by EAREA leaders and members, led by Dr. Anis at the MFA board, took place to empower the association position as representative of the appraising industry. The MFA approved to include certification of association membership among documents required for license renewal. This means that all appraisers will be members of the association by license renewal time. This activity reflects EAREA membership development strategy/grassroots association with open accessibility for all potential members, in addition to lobby efforts.

This activity not only empowers development of the association as a representative of the industry, by making association membership a must, but also, with reference to the required attendance of members to 6 workshops at least per year from the continuous professional education workshop, developed by the EAREA for 2007 as a pre-requisite for membership renewal. EAREA members' active participation in the associations' activities is also a necessity.

2. EAREA aimed to conduct a series of events to market association, and highlight its achievements to potential members and networking between members:
 - a) Celebrate the association membership in the IVSC.
 - b) Celebrate the approval of Egyptian code of ethics.
(None of above celebrations was completed due to limited financial resources.)
 - c) Ramadan Breakfast/ Iftar association social event.
Similar to the previous year, EAREA organized a Ramadan Iftar, in cooperation with Cairo University Real Estate Center, for members and

partners of both organizations. Like last year, the MFA chairman was invited, but he was not able to participate this time around. Participants discussed the procedures and requirements of license renewal.

Strategic Objective Six:

Networking opportunities

1. Sponsor two roundtable discussions for key decision makers to discuss policy issues.

This activity was cancelled as the association accomplished targeted results through lobbying at the MFA – enforcement of Central Bank directive.

2. Attend and participate in local annual real estate conferences and exhibitions.

Similar to the previous year, EAREA participated in an InterBuild Annual Conference and Exhibition in June 2006. EAREA organized a seminar within the conference session discussing professional advancement and creating professional levels.

3. Attend and participate in annual international appraising conferences and exhibitions.

Dr. Anis, EAREA Chairman, participated on behalf of the association in the Appraisers Foundation Internal Advisory Council Annual Meeting - at his own personal expense. Based on a nomination from the chairman of the Appraisers Foundation Internal Advisory Council, elections took place and Dr. Anis became a member of the Appraisers Foundation Internal Advisory Council.

4. Participate with other existing real estate associations to organize a National Real Estate Conference.

This activity was not completed, as EFS was supposed to lead this effort with all counterpart associations and the MFA.

5. Attend the annual IVSC symposium.

Although the association had high expectations that EFS would fund the participation of the EAREA delegation to participate in the international symposium, Dr. Anis, EAREA Chairman, participated in the symposium, representing the association, at his own expense, in September 2006, in China.

Strategic Objective Seven:

Communication programs to tell the association's story to stakeholders

1. Conduct a press forum of economy and real estate reporters.
2. Insert in Al-Ahram newspaper about the association and importance of the profession.
3. Upgrade the existing website www.appraisers.org.eg.

4. Publish electronic newsletter.
5. Publish association brochure.
6. Publish membership directory with sponsorships from the real estate industry.
7. Plan future resource center to provide tools of the most updated appraisal books and circulars that will assist appraisers in performing their work.

None of the above-mentioned activities were performed, due to limitation of financial resources.

FINDINGS

A. Progress of Business Plan Status

The Egyptian Association of Real Estate Appraisers successfully progressed with implementing its business plan for 2006. Some of the activities were slightly modified. A few non-professional activities were not completed, due to limited financial resources.

B. Financial Independency

Despite funding limitations and relatively young association age – established in February 2005 – EAREA did not wait for donor assistance and invested its limited financial resources.

C. EAREA Vision as Voice of the Industry

EAREA leaders' efforts reflect a vision to develop the Appraisers Association in two directions:

1. Positioning the association as a representative of the industry;
2. Providing the professional market with a high level series of professional training for licensing, continuous education, and license renewal.

All association activities and lobby efforts serves one of the above goals. Both EAREA goals concur with EFS association development vision.

D. Volunteer Participation

Active participation of volunteers and association members is inevitable for the association's progress. EAREA leaders and members impressively invested their time and efforts to advance the Appraisers Association. All previously mentioned activities and lobby efforts are run by volunteers, since EAREA did not have paid staff until now. Also, EAREA members and leaders actively cooperated with all EFS and AI activities. High participation of members was granted in all events. In addition, EAREA members, smartly invested the relationships and connections of the association's leader, in particular; Dr. Anis' connection to the MFA board.

E. Leadership Concerns

The association smartly and positively invested the connections of Dr. Anis, EAREA Chairman, as member of the MFA board. Dr. Anis led association members' efforts to lobby the MFA board and obtain the regulatory support and enforcement of several decisions, advancing the position of EAREA as the voice of industry.

Examples:

1. Enforcing Central Bank law to use certified appraisers – public policy.
2. Adding to documents required by the MFA for license renewal, a membership letter from the association, meaning that all certified appraisers must be members of the EAREA.
3. Advocating the MFA to acknowledge the continuous professional education program, delivered by the partnership between Cairo University Real Estate Center and EAREA, as a pre-requisite for license renewal.

F. Association Practices and Management Trends

EAREA used several modern association practices and management trends. The association successfully used lobbying the MFA to advocate for a progressive role for the association as a self-regulating entity, along with public policy advocacy to enforce laws affecting appraisers work – as in the Central Bank case. In addition to compulsory membership strategy, the association developed a range of training programs for continuous education and license renewal, with necessary participation of members in 6 workshops of the association events per year, fundraising programs, such as printed membership certification, and training income, organizing local events, and participation in international events, development of a website as a primary communication tool, and partnering with a strategic counterpart, such as Cairo University Real Estate Center, to deliver service.

G. EAREA Successful Accomplishments Aimed to be the Voice of the Industry

Several successful lobbying efforts by EAREA leaders and members, led by Dr. Anis at the MFA board, took place to issue decisions empowering the association the position as representative of the appraising industry, such as making association membership compulsory for license renewal. This means that all appraisers will be members of the association by license renewal time – membership development strategy, in addition to lobby efforts.

H. EAREA as a Source of Continuous Education

EAREA leaders and members aim to position the association as a source for continuous professional education. EAREA worked on two dimensions; first, it developed a training plan for 2007, in which EAREA will organize 2 workshops per month to discuss ongoing industry matters. Members will have to attend 6 workshops at least per year as a pre-requisite for membership renewal – noting that EAREA membership is a pre-requisite for license renewal. Accordingly, appraisers will continuously participate in association

events for continuous education. On the other hand, EAREA lobbied the MFA to acknowledge attending and passing exams on two, one-day workshops delivered by the partnership between Cairo University Real Estate Center and EAREA as a pre-requisite for license renewal. However, the latter action will not be enforced when examination becomes central at the MFA, and no sole courses will be an absolute requirement, as the market will be freely open for training providers. Yet association in partnership with Cairo University Center continues to deliver the license renewal courses as a high demand service. These activities are also non-dues services, in addition to lobbying efforts.

I. EAREA Upgrade Industry Levels

EAREA led efforts to regulate the profession and upgrade industry standards through submitting a proposal to the MFA for creating professional levels. The MFA requested the organization of a workshop for the MFA board and Appraisers Association members to discuss professional level proposals and policy advocacy to upgrade the profession.

J. In Partnership with Regulators EAREA Develops Database

The Egyptian Association for Real Estate Appraisers participated in additional activity outside the business plan, by cooperating with the MFA, the Ministry of Administrative Development, and EAREA in developing a database project. The project aim is to develop automated valuations techniques to predict prices and value, based on asking prices and appraising prices, not real prices. EAREA will participate by know-how, in addition to 4 experts from association members working full-time at the MFA. EAREA is currently preparing a budget proposal for the Ministry of Administrative Development.

RECOMMENDATIONS

A. Leadership Concerns

Concerns regarding controlling attitude from Dr. Anis, EAREA loses its significance with applying the centralized exams at the MFA. The main source of power for Dr. Anis is not in serving as a member of the board at the MFA, besides holding leadership positions of both the association and to the acknowledged certification center at Cairo University. The power of Dr. Anis is in his control of the examination result.

B. EAREA as Professional Training Provider

With the assistance of EFS project the MFA will conduct rigorous examinations that certify that professionals have the required expertise to merit being licensed. A series of examinations will be developed. Tests will be computer administrated and scoring will be instantaneous. The market will provide any necessary training based on a list of topics covered in the examination for each discipline that is published by the MFA. No course will absolutely be required. This will ensure no monopolists in training for the examination in any discipline.

With reference to EAREA leading efforts and its lobbying activities taking place with the MFA to position the association as industry representative, and provide the open market

with high demand, comprehensive professional training programs manifested in the following activities:

- EAREA, in partnership with Cairo University Real Estate Center, developed material and delivered with EAREA instructors two, one day workshops. EAREA lobbied at the MFA to acknowledge attending and passing exams on the previous two workshops pre-requisite for license renewal – noting that this action will not be enforced when examination becomes central at the MFA, and no sole courses will be an absolute requirement, as the market will be freely open for training providers. Yet the association, in partnership with Cairo University Center, can continue to deliver the license renewal courses as a high demand service.
- EAREA leaders developed a professional continuous education annual workshop program for 2007. Continuous education aims to increase the up-to-date exposure provided to practitioners. According to this training plan, EAREA will organize 2 workshops per month to discuss ongoing industry matters. Members will have to attend 6 workshops at least per year as a pre-requisite for membership renewal – noting that EAREA membership is a pre-requisite for license renewal. Accordingly, appraisers will continuously participate in their associations events for continuous education.
- Participation of the Egyptian Association for Real Estate Appraisers' members and experts in efforts led by EFS and AI to adopt and localize a comprehensive, hands-on, A Class appraising training program to the Egyptian market.
- In addition to the enormous effort and time invested by association's members, in cooperation with EFS and AI, participating in the TOT workshops took place to establish a high level cadre of local instructors from association members aspiring to teach this course.

Reference to the above-mentioned EAREA experts' participation in the development and localization of AI course. EFS could support the association's lobby at the MFA to participate with Cairo University Real Estate Center in the technical merging between AI material and Cairo University material to produce one comprehensive course.

The Appraisers Association's desire and continuous effort to lobby at the MFA for the privilege of owning the property right of the AI course, after its merge with Cairo University Real Estate Center material to produce one comprehensive basic appraising program, could be supported by EFS through proposing to the MFA that this comprehensive program be delivered by the Egyptian Association of Real Estate Appraisers.

EFS can also support the form of cooperation between the Appraisers Association and Cairo University Real Estate Center, which was manifested in several occasions such as; three association seminars, two Ramadan Iftars, and training programs currently being offered for license renewal. EFS could propose to the Appraisers Association to build a strategic partnership with Cairo University Real Estate Center to deliver the appraisal training program. With opening the market freely for training providers, it is in the favor of both parties to gather forces. The Appraisers Association should invest the reputation and experience of Cairo University Real Estate Center, which used to be the

sole official training provider for license appraisal. As the chairman of both institutions is the same person – Dr. Anis – this should ease the partnership process. And, again, hopefully, this will also be accepted by the MFA, similar to the mortgage association model.

EAREA, with a ready comprehensive high level course in partnership, with experience and reputation from Cairo University Center at this early stage of opening the market freely to training providers. Both parties can subcontract and cooperate with other potential institutions to deliver the course in different geographical areas around Egypt.

C. Upgrading Professional Levels

EAREA led efforts to regulate the profession and upgrade industry standards through submitting a proposal to the MFA for creating professional levels. It was requested by the MFA to organize a workshop for the MFA board and Appraisers Association members to discuss a professional level proposal. EFS can support EAREA by providing a presentation by an expert from IVSC about best practices in creating professional advancement.

D. Advocacy

EAREA successfully completed several lobby efforts at the MFA advocating positioning the association as the voice of the appraising industry from one side, and regulating industry practices and setting standards from the other side. EAREA needs to address new public policy issues. EAREA members' goal now is to enforce the appraisers fee rate structure set by the MFA for banks. Banks do not abide by the MFA pricing list, accordingly, they compromise payment on the expense of quality and this practice negatively affects market standards. EFS can support association advocacy efforts and, with MFA funding, EAREA could organize a seminar inviting policy makers from the MFA, Central Bank, and private banks, and association members could be also considered.

E. Building Resource Center

EAREA leaders expressed their deep appreciation to EFS efforts to bring EAREA to international exposure through supporting its membership in the IVSC committee. Typically, EAREA wishes to build a resource center of the latest appraising text books and glossaries, also membership to a few international periodicals to update members with international practices. EFS could use its international connections to equip the association with basic industry text books and a subscription to two international periodicals for one year.

F. Communication Tools

EAREA is slowly reaching out to the public through building cooperative relationships with media representatives to cover association events and report progress and planned activities. EAREA needs to develop communication tools to tell its story, sell its services, communicate with members, reach out to potential members and clients, report its progress, and build its image. EAREA developed a website. EFS can assist in upgrading the exiting website and, in addition, perhaps design and print a simple brochure. This printing activity can only take place after the association settles on it services menu;

license courses, membership criteria, continuous education annual workshop program, license renewal courses, testing and examination matters, training providers accessibility, etc.

CONCLUSIONS

As per latest assessments, conducted for associations in March 2006, it was concluded that EAREA should focus their efforts on getting the existing law, of requiring professionally certified appraisers, to be enforced. All other efforts can be put on hold until that change occurs, because any efforts to assist EAREA could be put on hold until the above impediment has been changed. EAREA successfully lobbied for enforcing the above law, in addition to effectively progressing with its business plan.

EAREA leaders efforts reflect a vision to develop the association to regulate, lead, and upgrade the appraising industry. EFS can support EAREA leaders in:

1. Lobby efforts to empower positioning the association as the voice of the appraising industry, and performing a leading role in advocating for regulating business practices and upgrading industry standards.
2. Providing the professional market with a high level series of professional training for licensing, continuous education, and license renewal. All association activities and lobby efforts serves one of the above goals. Both EAREA goals concur with EFS association development vision.

B. THE ARABIAN REAL ESTATE ASSOCIATION

Real estate brokers play a special role in the development and work of real property markets, they – and other real estate professionals – represent the soft infrastructure repaired to facilitate the market. Their work ensures market liquidity and integrity, and therefore lowers the risk for mortgage lenders – which is the ultimate goal of the EFS project. The market information they furnish brings necessary confidence to property transactions and enables market analysis and risk management.

Background

EFS project started in October 2005 facilitating and coordinating the establishment of professional association concerns for real estate sales. This new association targeted real estate brokers and agents, property management companies, and real estate developers who have large in-house sales and marketing teams. A task force of real estate sales market leaders – 11 participants - was formed to carry on with the establishment of the association. However, the actual forming of the AREA took place during the coffee and luncheon breaks during the EFS Board of Directors Orientation Session in March 2006 and has continued during the last few weeks, in between the Strategic Planning Sessions of EFS. Khaled Rasekh, President of ERA, was named chair of the group and the board.

Vision Statement

Within the next five years, the Arabian Real Estate Association:

- will build a transparent relationship between the public and the real estate professional;
- will be a respected organization that serves as a nonprofit, private sector advocate for the real estate industry; and
- will have developed and implemented a code of ethics that facilitates real estate market processes in Egypt.

Mission Statement

To achieve its vision, the mission of the Arabian Real Estate Association is:

- to foster the growth of informed and trained professionals in the real estate industry that benefits both the real estate profession and the buyers and sellers of real estate;
- to upgrade public knowledge and awareness of the real estate business;
- to lead the real estate industry in unifying and standardizing market best practices in Egypt;
- to address key public policy issues; and
- to provide hands-on, skills-based, training programs for the real estate professionals.

Strategic Objectives

To achieve its vision by carrying out its mission, the leaders of AREA have prioritized five strategic objectives:

Strategic Objective One:

Strengthen the association by institutionalizing the organization

Strategic Objective Two:

Improve the business climate for the Egyptian real estate industry by conducting effective public policy advocacy programs

Strategic Objective Three:

Provide professional educational programs

Strategic Objective Four:

Build the AREA membership

Strategic Objective Five:

Increase networking opportunities by discussing current issues in the real estate field with developers, appraisers, mortgage brokers, and other stakeholders and decision makers

Strategic Objective Six:

Tell AREA's story to stakeholders and the public through effective communication programs.

SWOT ANALYSIS

Strengths:

- Independent premises
- Full-time, paid staff
- Charismatic, well-connected, and exposed chairperson
- Board members are very innovative, creative, and active
- Although limited financial resources, AREA, from day one, developed and delivered demanded service
- Association leaders are very responsive and cooperative with EFS
- Association has great potential for growth based on the large potential membership base

Opportunities:

- AREA can play an important role in public policy advocacy to review the profession regulatory status and upgrade industry practices
- Association can play a prominent role as a training provider

Weaknesses:

- Concerns regarding chairperson high ego
- Possible conflict of interest and balance of power issues between AREA leaders as a reflection of business competition

Threats:

- It is expected that major obstacles will face the AREA to achieve its principal goal and review the regulatory status of the profession and establish a certification program to upgrade professional practices.

Hopefully, these hindrances will not negatively affect the morals of AREA leaders.

- Profession practices and practitioners are not up to the standards and ways of business maturity. Resistance to change the current non-legal framework or rules will occur from several players.

PROGRESS STATUS OF AREA'S BUSINESS PLAN

Below is a detailed review and progress status for EAREA 2006 planned activities.

Strategic Objective One:

Strengthen the association by institutionalizing the organization

1. Create legal instruments.

AREA finalized the required legal documentation for its formal registration with the Ministry of Social Affairs in July 2006.

2. Develop a staffing plan.
3. Develop a headquarter plan.

The AREA Chairman is Eng. Khaled Raseekh, who is also the Chairman of the Egyptian Mortgage Brokers Association. Eng. Raseekh proposed to the newly established AREA board the sharing of premises of an industry sister association – the Egyptian Mortgage Brokers Association. AREA took the opportunity to reduce establishment costs by sharing premises, as well as the services of a full-time secretary with another sister association.

4. Decide on membership requirements.

The consultant witnessed several long conversations between AREA leaders, emphasizing the importance of membership criteria when the association aims to set high standards and upgrade business practices. AREA tended to be selective in their attitude towards membership.

5. Develop a funding plan.

AREA leaders explained that fundraising to organize events is not a priority for the association. AREA expressed that their main concern is to be connected to market players, in particular regulators, and learn about profession best practices.

6. Adopted a code of ethics.

AREA developed an ethics and discipline code for the profession. The code has been adopted by association members.

7. Create a Multiple Listing Service.

Association leaders explained that it is a bit early for the association, as well as for market maturity, to implement this activity. AREA leaders also requested EFS technical assistance through introducing best practices on how to apply this system and how to start addressing it.

Strategic Objective Two:

Improve the business climate for the Egyptian real estate industry by conducting effective public policy advocacy

1. Change government authority to Ministry of Investment instead of Ministry of Supply.
2. Create regulation for certification system for real estate brokers and agents.

None of the above activities were performed, as the association was busy creating its legal entity first. On the other hand, AREA leaders clarified that they need EFS technical assistance in providing them with a legal consultant to guide them on how to dig their case.

Strategic Objective Three:

Provide professional educational programs for the association's members

1. Form an association education committee.

AREA members formed an education committee.

2. Conduct a study of the educational needs of the professionals in the real estate industry.

AREA education committee conducted a preliminary needs assessment and identified five basic subjects; Real Estate Industry Basics, Real Estate Brokerage Basics, Real Estate Appraising Basics, Real Estate Legal and Registration-related Basics, and Real Estate Finance.

3. Sponsor a Real Estate Fundamentals course.

AREA education committee developed the above needs assessment. AREA leaders developed a training curriculum covering the five subjects, and cooperated with the AUC to deliver the course to association members as well as non-members. Eng. Khaled Raseekh and Dr. Ahmed Anis participated in developing material and delivering their sections at the program.

The program consists of 10 sessions through a two month period. AREA members have to attend this course during a year of their affiliation with the association. The first round of the training already took place early November 2006 with 27 participants. Course fees are 1,850 L.E. AUC shares 85% of the profit, and 15% goes to the association.

4. Explore opportunities to provide other educational programs as needed.

AREA education committee is still working on conducting more in-business assessments to identify training needs.

5. Conduct a study of the requirements for certification.

As previously explained, AREA leaders are looking for EFS technical assistance through introducing best practices to create and address the certification system.

Strategic Objective Four:

Build the AREA membership.

1. Conduct founders' membership campaign.

AREA created a membership development committee. AREA membership has increased from 11 members to 32 members (300%) in 6 months.

Strategic Objective Five:

Increase networking opportunities, by discussing current issues in the real estate field with developers, appraisers, mortgage brokers, and other stakeholders and decision makers.

1. Participate in local real estate events and exhibitions.
2. Network with international real estate groups.
3. Participate with local existing real estate and mortgage associations to organize and participate in a national real estate annual conference.

None of the above activities were performed due to time limitations – 6 months.

Strategic Objective Six:

Tell AREA's story to stakeholders and the public through effective communication programs.

1. Develop a communication plan.
2. Develop core message.
3. Create association electronic newsletter.
4. Publish an association brochure.
5. Sponsor background session for economy and real estate reporters.

None of the above activities were performed due to time limitations – 6 months. However, AREA designed logo, letterhead, and receipt.

6. Develop website.

AREA developed a website www.areame.org, but association leaders clarified that they still need money to upgrade the website.

FINDINGS

A. Progress of Business Plan Status

With the above achievements, it should be noted that AREA was born 9 month ago and officially registered in July 2006. The above business plan was more of a road map for all that AREA leaders needs to address. AREA successfully progressed with implementing several activities in very little time.

B. Financial Independency

Despite funding limitations and recent establishment of the association – six months - AREA did not wait for donor assistance and invested its limited financial resources.

C. Volunteers Performance

Active participation of volunteers and association members is inevitable for the association's progress. AREA leaders impressively invested their time and efforts to advance their association. The board of directors, as well as Executive Committee, meetings is managed in impressive harmony with a corporate attitude. It is significant to note to AREA leaders their strong performance, although some challenges may face AREA board members due to business competition. AREA leaders are extremely innovative, creative, with a strong drive to upgrade the profession.

D. AREA Capacity Building and Institutional Building

AREA worked on capacity building of their association through providing independent premises – co-sharing the cost of venue and a full-time secretary with the Egyptian Mortgage Brokers Association. On the other hand, as AREA aims to progress as a solid institution, four specialized committees were formed to distribute tasks and assign responsibilities. Each committee has 5 members. These committees are; membership, ethics, education, and communication. All committees started performing their responsibilities and achieved results: membership increased by 300%; code of conduct and ethics has been developed and approved; preliminary needs assessments were conducted; training curriculum was developed; the Education Committee's first program already took place, and the Communication Committee developed a website.

RECOMMENDATIONS

A. Review Legal Status

Although the mortgage finance laws do not regulate real estate brokers, their role as points of sales enormously affect the real estate industry growth. Real estate agents are not regulated in Egypt; they have neither certification nor a licensing system. They work under the Ministry of Supply. EFS could assist this group by providing an Egyptian legal

consultant to review their regulatory status and suggest a suitable legal path to address their case.

B. Establish Certification System

EFS can also introduce best practices on how to establish a certification system for real estate brokers and agents to regulate the profession and upgrade practices. This activity might require further technical assistance from EFS in conducting a needs assessment, in cooperation with AREA education and training committee, to identify training needs and areas requiring professional training upgrades. Developing curriculums for this training is an issue to be further considered by EFS.

C. Multiple Listing System

Association leaders explained that it is a bit early for the association, as well as for market maturity, to implement this activity. However, AREA leaders requested EFS technical assistance through introducing best practices on how to apply this multiple listing system, which would track real estate sales values as a basis for market valuation of property. EFS can use its connections to bring in experts to educate association members and provide support for management, sales, and marketing training for brokers and agents.

D. Building Resource Center

AREA leaders expressed their deep interest in being exposed and updated with international standards and best practices in their profession. Typically, AREA wishes to build a resource center of the latest real estate investments, management, sales, and marketing text books, along with membership to a few international periodicals, to update members with international practices. EFS could use its international connections to equip the association with industry basic text books and a subscription to two international periodicals for one year.

E. Communication Tools

AREA needs to develop communication tools to tell its story, reach out to the public, sell its services, and communicate with members and potential members. AREA developed a website. Association leaders expressed that they still need to raise funds to continue the development of the website. EFS can assist in upgrading the existing website, in addition to perhaps designing and printing a simple brochure.

CONCLUSIONS

AREA has well established the infrastructure to start on the right foot. Most importantly, the association board has shown great leadership and positive active determination to create a progressive, modern, business association. AREA has the abilities and resources, in addition to a realistic program of work, yet the association needs to be guided to the gateway for policy advocacy. Association leaders have requested EFS technical assistance. EFS can focus its assistance to AREA in two areas; review current legal status and introduce best practices in establishing a certification regulatory frame

for this group and, supporting the AREA in its advocacy addressing regulators in these two matters.

1. Introduce best practices on the regulatory frame for this group, study current legal status, and identify suitable approach to re-frame the legal status of this group.
2. Introduce best practices on establishing certification system, and how to apply this system to the Egyptian market.

C. THE EGYPTIAN MORTGAGE ASSOCIATION

The Egyptian Mortgage Association's aim at this emerging phase of the mortgage industry, where regulatory guidelines and industry standards need to be established, is to play a role in building the "soft infrastructure" required to facilitate the market. Their work ensures market liquidity and therefore lowers the risk for mortgage lenders. Hence, the association will coordinate with governmental agencies and communicate with involved institutions to speak for the private sector interests.

The Egyptian Mortgage Association seeks to develop as a self-regulating organization, which helps guide the business practices, and provides a continuous source of professional training and workshops. A solid, respected, mortgage industry association will serve as advocate for its members and represent the industry in dialogue with the government.

Background

EMA was established in July 2005 and is headed by Eng. Magd El-Din Ibrahim, Chairman of Al-Taamir Company, the first mortgage finance company in Egypt. The Vice-Chairman is Mrs. Hala Bassiouny, CEO of the second mortgage company established in the Egyptian market. At the present time there are only two mortgage companies in Egypt. Two other companies are in the process of being established. In March, EMA had 35 individual members and one corporate member. Members are employees of the two mortgage finance companies and mortgage brokers, with a few appraisers and a few bankers.

EFS is assisting the EMA in providing quality mortgage finance courses of international standards to help develop mortgage finance professionals and build a cadre of outstanding trainers to teach these courses. In September 2005, EFS contracted Mortgage Banker Association (MBA)/U.S.A. to develop and localize an Egyptian Primary Mortgage course, which was developed by MBA. TOT was conducted to EMA members to create a cadre of local instructors to deliver this course. EMA continued joint cooperation with EBI to deliver a Primary Mortgage Market course with EMA local instructors. On the other hand, EFS contracted Shore Bank in June 2006 to develop four new modules/2courses: 1. Origination and Underwriting; and, 2. Loan Servicing and Risk Management. The first round of the two courses was delivered to mortgage companies, banks, and the Ministry of Investment. TOT sessions for the two courses will be conducted at the end of January 2007. Mrs. Hala Bassiouny, representing EMA, actively participated with EFS and EBI leaders in all activities and tasks related to administrating, pricing, and delivering Shore Bank programs, in addition to participating with other EMA local instructors – Wafaa ElDars – with Shore Bank consultants in modifying course material before delivering the first round. As was planned, these two courses will stand for the certification program of Loan Officers.

These courses provide value added services for association members, as well as being a great marketing tool to attract potential members, and generate income for the association.

Vision Statement

Within the next five years, the Egyptian Mortgage Association:

- will be a respected, self-regulating organization that serves as a nonprofit, private sector advocate for the mortgage industry; and
- will have developed and implemented guidelines and standards that facilitate real estate market processes for borrowers, and lower risks for lenders, in Egypt.

Mission Statement

To achieve its vision, the mission of the Egyptian Mortgage Association is:

- to foster the growth of informed and trained professionals in the real estate mortgage industry;
- to upgrade public knowledge and awareness of the real estate mortgage business;
- to lead the mortgage industry to unified and standardized market best practices;
- to address key public policy issues that need to be changed by the government;
- to provide hands-on, skills-based, world-class training programs for mortgage professionals; and
- to serve the broad interests of borrowers and lenders.

Strategic Objectives

To achieve its vision by carrying out its mission, the leaders of EMA have prioritized five strategic objectives:

Strategic Objective One:

Strengthen the association by institutionalizing the organization

Strategic Objective Two:

Improve the business climate for the Egyptian real estate industry by conducting effective public policy advocacy programs

Strategic Objective Three: Provide professional educational program for the association's members and mortgage finance professionals

Strategic Objective Four:

Build the EMA membership base

Strategic Objective Five:

Increase networking opportunities by discussing current issues in the real estate industry with stakeholders and decision makers

Strategic Objective Six:

Tell EMA's story to stakeholders and the public through effective communication programs.

SWOT ANALYSIS

Strengths:

- EMA is in partnership with a strong institution –EBI- offering A Class mortgage courses, and in the process of finalizing and delivering a certification program for loan officers
- Membership could grow significantly if banks enter the market

Weaknesses:

- Slow market performance
- Poor membership due to limited market players
- No independent premises
- No staff
- Association leaders do not have initiative

Opportunities:

- Opportunity for association to participate in public policy advocacy as representative of the lenders
- Association can play a prominent role as a training provider

Threats:

- It is expected that major obstacles will face the AREA to achieve its principal goal and review the regulatory status of the profession and establish a certification program to upgrade professional practices. Hopefully, these hindrances will not negatively affect the morals of AREA leaders
- Profession practices and practitioners are not up to the standards and ways of business maturity. Resistance to change the current non-legal framework, or rules, will occur from several players.

PROGRESS STATUS OF AREA'S BUSINESS PLAN

Below is a detailed review and progress status for EAREA 2006 planned activities.

Strategic Objective One:

Strengthen the association by institutionalizing the organization

1. Revise bylaws, membership categories, and fees.
2. Invite banks to nominate representatives to serve on the board.
3. Develop a new methodology to obtain needed and accurate data on real estate transactions in Egypt.
 - a. Conduct a meeting with the MFA, the Egyptian Real Estate Appraisers Association, and Arabian Real Estate Association to determine strategy for securing new data.

- b. After joint agreement between various real estate parties, conduct a study to determine the best approach to establishing a real estate database.
- 4. Develop a staffing plan for EMA.
 - a. Appoint a board-level Personnel Committee at board meeting.
 - b. Analyze and recommend to board staffing plan for the association.
- 5. Develop plan for association headquarters.
 - a. Appoint board-level Housing Committee to study options for housing of association headquarters and staff.
 - b. Recommend office arrangements to board.

None of the above activities were addressed.

Strategic Objective Two:

Improve the business climate for the Egyptian real estate industry by conducting effective public policy.

- 1. Appoint board-level committee to determine and recommend key public policy issues to the board of EMA.
 - a. Decide on key issues for the association such as:
 - Regulations on registration of real property
 - Barriers to best interest rate policy
 - Home equity loans
 - b. Prepare one-page issue brief on each agreed-upon issue.

None of the above activities were addressed.

Strategic Objective Three:

Provide professional educational programs for association members and mortgage finance professionals.

- 1. Develop, with EFS, a series of five training curriculums covering major mortgage-related issues.
 - a) Appoint board-level education/training committee (one member can overlap with membership committee).
 - b) Work with EFS to finalize the cooperative agreement between EMA and the Egyptian Banking Institute to jointly implement mortgage training programs.
 - c) EMA and EFS, in cooperation with EBI, conduct an informational session with bank leaders to encourage them to send employees to mortgage training.
 - d) Board of EMA endorse and implement sponsorship of mortgage training.
 - e) Obtain approval from the MFA on all courses as the national mortgage lending certification program, and EMA as the certified training provider.
 - f) Update materials to fit local conditions as the industry develops.
 - g) Develop plan for continuing education programs for renewal of certification and/or upgrading professional levels.

EMA continued joint cooperation with EBI to deliver a Primary Mortgage Market course with EMA local instructors. On the other hand, EFS contracted Shore Bank to develop four new modules/2 courses to establish

the certification program for Loan Officers: 1. Origination and Underwriting; 2. Loan Servicing and Risk Management. The first round of the two courses was conducted to mortgage companies, banks, and the Ministry of Investment. TOT sessions for the two courses will be conducted at the end of January 2006. Mrs. Hala Bassiouny, representing EMA, actively participated with EFS and EBI leaders in all activities and tasks related to administrating, pricing, and delivering Shore Bank programs, in addition to participating with other EMA local instructors – Wafaa EIDars – with Shore Bank consultants in modifying course material before delivering the first round.

Strategic Objective Four:

Build the EMA membership base.

1. Develop and implement a membership recruitment plan to expand the EMA's membership base from its current base of 50 members to 150 members during 2006 - an increase of 200%.

EMA membership has increased by 40% in 8 months, and currently has 70 members. New members are mostly attendees of the mortgage training programs delivered at EBI.

2. Revise code of ethics for mortgage finance practices and obtain approval at EMA's annual general assembly.

Mr. Mohamed Refaei, EMA board member, developed a draft code of ethics in September 2005. The draft has been distributed and discussed between board members, but has not yet been finalized.

Strategic Objective Five:

Increase networking opportunities by discussing current issues in the real estate industry with stakeholders and decision makers.

1. Encourage association members to participate in local annual real estate conferences and events such as Interbuild and Al-Ahram real estate conference and exhibition, and coordinate with the event organizer.
2. Encourage association members to participate in annual international real estate conferences and events such as Abu-Dhabi real estate conference and exhibition.

The two mortgage companies participated in all of the above activities representing its private business. It is worth noting that the two companies have been participating in these events on a regular basis since their establishment, and not as a result of the business plan.

3. Organize two association functions to discuss with stakeholders, decision makers, and partners, ongoing real estate issues and association opportunities, and to foster public/private partnership.

4. Participate with other existing associations in an annual national real estate conference.

None of the above activities were addressed.

Strategic Objective Six:

Tell EMA's story to stakeholders and the public through effective communication programs.

1. Publish brochure for the association itself and for mortgage lending training programs.

A brochure is being developed, and will be printed by EFS, to market mortgage training programs delivered by EBI in cooperation with EMA. The brochure has brief background information about the association, contact information, and detailed information about the programs. EMA did not develop its own information tool.

2. Publish an EMA electronic newsletter.

EMA Secretary, Mr. Ashraf Reyad, prepared a proposal to be presented to the board to be developed and designed: an association printed magazine named "TAMWEEL". According to the feasibility study conducted by Mr. Reyad, the magazine should cover expenses and make profit in the fifth month through selling advertisements. A pricing list was developed. TAMWEEL is supposed to cover all mortgage industry related issues, also the association's activities, and planned training programs, and events. Distribution will target bank leaders, finance companies, economic and business organizations, and government institutions, as well as all real estate players; developers, sales agents, appraisers, and mortgage brokers.

3. Conduct press forum for economic and real estate reports.
4. Membership directory.
5. Build an internet website.
6. Implement a resource center for members.

None of the above activities were addressed.

FINDINGS

A. Progress of Business Plan Status

The Egyptian Mortgage Association did not succeed in progressing with its planned activities for 2006. EMA leaders did not exert needed efforts to develop their association to achieve its mission and vision. With the experience of this consultant in monitoring the development of EMA since its establishment, it could be said that EMA did not move forward on its own effort in any activity area except in the cooperation with EFS in the

development and delivering of the mortgage courses with EBI, and this activity has been performed through the cooperation of only two active board members; Mrs. Hala Bassiouny, EMA Vice Chairman, and Mr. Ashraf Reyad, EMA Secretary – the same person who developed the magazine “TAMWEEL” proposal. Other team members who participated in the training programs’ development, localization, and delivery are not board members.

B. Financial Independency

Despite continuous growing funding resources for EMA, from delivering the training programs with EBI, new membership fees, in addition to donations of some board members of their fees for instructing in the training programs, the Egyptian Mortgage Association did not use these available funding resources to perform any activity or organize any event.

C. Volunteers Performance

Active participation of volunteers and association members is inevitable for the association’s progress. AREA leaders are not investing their time and efforts to advance the association. Board of directors meetings are not held on a regular basis, in addition, performance and effectiveness of board members are not up to standard. Only two board members are active; Mrs. Hala Bassiouny, EMA Vice Chairman, and Mr. Ashraf Reyad, EMA Secretary.

D. Membership Development

Although one of the major impediments for EMA is limitation of mortgage finance players due to banks reluctance to participate in the market, the Egyptian Mortgage Association leaders did not target new major players in the mortgage market such as the refinance company, the new third mortgage company, TAMWEEL, and a fourth, which is still under establishment. In addition, the association was supposed to target banks for corporate membership, since some banks are also preparing to enter the mortgage market, such as the United Bank.

E. Training Programs

EMA continued effectively working with EFS on developing, localizing, and delivering the primary mortgage training programs in cooperation with EBI. EFS coordinated with EMA through Mrs. Hala Bassiouny, who is also a trainer. Mrs. Bassiouny participated with EFS and EBI leaders in all activities and tasks related to administrating, conducting, and delivering the training programs. In addition, EMA developed a high class cadre of trainers, who deliver the training programs, as well as continuously participate in the material development and upgrade. Progress on this matter is well managed, thanks to the work of Mrs. Hala Bassiouny.

F. Communication Tools

EMA Secretary, Mr. Ashraf Reyad, prepared a proposal, to be presented to the board, to develop and design an association printed magazine named “TAMWEEL”. According to the feasibility study conducted by Mr. Reyad, the magazine should cover expenses and make a profit in the fifth month through selling advertisements. A pricing list was

developed. TAMWEEL is supposed to cover all mortgage industry related issues, also association activities, and planned training programs and events. Distribution will target bank leaders, finance companies, economic and business organizations, and government institutions, as well as all real estate players; developers, sales agents, appraisers, and mortgage brokers.

Also, EMA distributed membership application forms in the training programs materials distributed to course participants, which did get some new members for the EMA. In addition, briefs about EMA establishment and mission, as well as detailed information about the training programs with EBI, is published in the brochure developed by EFS to market the mortgage training programs. The above-mentioned communication tools are enough for EMA for the time being.

RECOMMENDATIONS

A. Board Formation

As has been explained by some board members, EMA board formation is not effective and, accordingly, board performance is below standard. Some EMA board representatives need to step down, and new representatives, from the refinance company and the third mortgage company, perhaps one from the MFA, also a representation of mortgage brokers, in addition to a prominent bank figure, should join the EMA board so that the association really reflects a lenders association. Current board members are employees of the two mortgage companies and the housing and development bank. It is essential for EMA to carefully pursue this matter as its highest priority.

B. Merge with Mortgage Brokers

For a sound lending association, EFS can endorse to the EMA board the application of the Egyptian Mortgage Brokers Association's leaders in March 2006, requesting the merge of their association with the Egyptian Mortgage Association. Also, the other mortgage brokers association will be approaching EMA requesting a merge also, since it is endorsed by the MFA – explained in detail in the mortgage brokers section. A similar action could be proposed to the newly established Egyptian Association for Foreclosure Agents to be merged with the Egyptian Mortgage Association. Representation of mortgage brokers should be added to the EMA board.

C. Training Programs

High priority of mortgage lending and loan administration related training in such an emerging industry is essential to bring business practices up to world standards, with reference to EMA members and local instructors' efforts in working with EFS and MBA consultants, to customize and localize course material, then deliver the courses in cooperation with EBI. EFS can endorse EMA's continuous involvement in delivering mortgage courses with EBI. Similarly, EFS can support EMA involvement in a certification program for Loan Officers, being prepared by EFS, as a certifying body with EBI, by securing the MFA blessing on the current form of cooperation between the Egyptian Mortgage Association and EBI, to deliver the mortgage training programs, as well as Loan Officers certification.

D. Policy Advocacy

Existence of a mortgage finance lenders voice/association is essential to focus on the lending side as there are many laws and regulations that need to be addressed. EFS can guide EMA to play a strategic, proactive, advocacy role, aiming to achieve success for further reforms.

E. Communication Tools

With reference to the brochure developed by EFS, publishing enough information about EMA and the membership application form distributed to training programs participants. This is the only activity EMA delivers. EFS can choose to support only one activity, either establishing a website, or assisting EMA with some of the needed tools to develop and print the magazine – as per EMA proposal, a computer, printer, etc., will be needed. This consultant sees the idea of the magazine more convenient because, at a certain point of EMA development, the association will need to develop a newsletter. An electronic newsletter was planned, but as has been clarified by some association members, corporate email quotes and capacity might be a barrier for a complete and clear download of a newsletter, and it is better to have it printed. Also, advertisements can be a source of fundraising too. Although it is more work on the association side while association leaders are slow, but since it is EMA initiation, then EFS might consider funding some infrastructure items.

F. Member Services/ Build Information Center

Industry is new to the Egyptian market - community and practitioners. Many concepts and terms need to be introduced to raise public awareness, as well as to be exposed to latest business trends, products, and techniques in order to guide market practices to world standards. EFS could use its international connections to equip the association with industry basic text books and a subscription to two international periodicals for one year. Some of these text books and periodical articles, discussing ongoing business matters, could be summarized, translated, and published in the association's magazine by the association's instructors – information added value service.

G. Code of Ethics

The Egyptian Mortgage Association has only a draft for a proposed code of ethics, while the Egyptian Mortgage Brokers Association has developed and finalized a code of ethics for the profession. After merging the mortgage brokers association with the mortgage companies association, to form one strong, entity representing lenders, EFS can assist in developing a code of ethics for the lenders group.

CONCLUSIONS

Egyptian Mortgage Association leaders do not have the capacity to develop the association into a viable organization and move rapidly up the scale of effectiveness. With board representation of employees of only two mortgage companies, there is little

incentive to create a strong lenders organization. If EMA board of directors' representation changed to include other new market players – companies, banks, and GSF-, and if the merge of the two mortgage broker associations and the EMA takes place, this could change the dynamics of both associations and could considerably strengthen EMA as a sound lenders association. EFS can support EMA leaders achieve both structural adjustments by securing the MFA blessing and encouragement. EFS can also continue to endorse EMA involvement in the delivering of EBI mortgage professional training courses with an association cadre of local instructors. Typically, EFS can support EMA as a certifying body with EBI for a Loan Officers certification program.

The growth and development of EMA appears to be dependent on the participation of Egyptian banks in the mortgage finance industry and in the association. Therefore, until integration of the banks into the mortgage industry happens, this organization will probably remain a marginal player and this association will remain relatively weak, even if becomes more efficient in operations and in the participation of certification of Loan Officers.

SECTION III: EFS NEW TARGETED ASSOCIATIONS

EFS is initiating fresh engagement with mortgage brokers groups and foreclosure agents.

Mortgage brokers groups are scattered into two established associations. In this report, a status review of both associations is provided, followed by consolidated recommendations for mortgage brokers groups.

A. EGYPTIAN MORTGAGE BROKERS ASSOCIATION

EFS is approaching the Mortgage Brokers Association to initiate fresh engagement with mortgage brokers. The Mortgage Finance Authority is giving special attention to this discipline of mortgage professionals to lift their knowledge and performance up to market standards. Currently there are 210 licensed mortgage brokers.

Background

The Egyptian Mortgage Brokers Association (EMBA) was established on 22nd June 2004, and headed by Eng. Khaled ReseeKh. Nine members serve as the Board of Directors of EMBA with a total membership of 90 members. Membership fees are 100 L.E. for full membership, and 75 L.E. for affiliate membership. The association has independent premises and two full-time staff; a secretary and an accountant, in addition to a part-time lawyer.

EMBA have four specialized committees; Legal Committee, Communication Committee, Membership Committee, and Training Committee. Three members serve in each of the first two committees and four members serve in each of the second two committees.

The Egyptian Mortgage Association's Treasurer, Mr. Alaa Bondok, developed a training curriculum on the financial aspect of mortgage finance law and a comparative study on implementation differences in mortgage between banks and mortgage companies. EMBA has organized 3 training programs for its members and has also invited employees of the two mortgage companies.

In addition, EMBA Chairman, Eng. Khaled Rasekh, developed a training curriculum for mortgage brokers' professional training, needed for licensing. EMBA cooperated with the AUC to deliver this training program.

Vision Statement

EMBA seeks to build a structured organization representing mortgage brokers and serving their interests. EMBA is planning to provide assistance, and develop solutions, for mortgage brokers through securing proper flow of updated information and educational services.

Mission Statement

EMBA aims to develop the capabilities and knowledge of mortgage brokers and upgrade their performance to meet international standards for the overall development of the real estate industry.

Strategic Objectives

- Upgrade the mortgage broker profession through delivering training courses and educational programs
- Raise public awareness of mortgage brokers' work.
- Empower and facilitate working relationships among mortgage brokers, and between mortgage brokers and mortgage finance companies
- Networking and building alliances with similar real estate associations as well as government entities
- Advocate solving obstacles facing the work of mortgage brokers through communication with regulators
- Build an information resource center to secure an updated flow of professional information, through providing international real estate management and investment text books and latest mortgage finance practices and trends
- Organize events, seminars, and conferences to discuss real estate and mortgage finance pressing matters.

SWOT ANALYSIS

Strengths:

- EMBA has independent premises and 2 full-time, paid staff
- Membership base is adequate at almost 50% of the market with a high potential for growth through other licensed mortgage brokers (currently 220)

Weaknesses:

- Profession practices and practitioners are not up to the standards and ways of business maturity
- EMBA Chairman, Eng. Khaled Rasekh, is not licensed as a mortgage broker, which is not accepted by the MFA

Opportunities:

- Building on association leaders' previous efforts, EMBA can play a prominent role as a training provider
- Possibility to merge into the Egyptian Mortgage Association and to become a sound lending organization

Threats:

- Competition between several associations and several leaders. Mortgage brokers group is the only discipline of mortgage finance professions that is scattered into 2 established associations and one which is under establishment.

FINDINGS

A. EMBA Performance

Egyptian Mortgage Brokers Association leaders submitted a formal proposal to the Board of Directors of the Egyptian Mortgage Association requesting to be merged with their association in order to form a larger, more effective mortgage association. This proposal was submitted to the Egyptian Mortgage Association in March 2006; however EMBA did not obtain feedback from the Egyptian Mortgage Association leaders.

B. Financial Independency

EMBA does not have financial resources, other than membership fees, which is very minor – 100 L.E. /per year. Yet, EMBA leaders are investing their financial resources to build the association; they donate the needed finance to pay two full-time staff and the rental of independent premises. In addition, they developed and printed a brochure.

C. Volunteers Performance

Generally, the performance of the mortgage brokers group is not up to standard, neither their professional practice in the mortgage market, nor their lobby efforts as a group/association. In particular, EMBA leadership is not accepted by the MFA, since Eng. Khaled Rasekh, Chairman of EMBA, is not a licensed broker; therefore he is not the correct representation for this group.

D. Membership Development

There are 220 licensed mortgage brokers at the MFA of which there are around 90 EMBA members. There is great potential for the association to increase membership from other licensed mortgage brokers. Yet, there is another established mortgage brokers association; mortgage brokers group. This is the only discipline of mortgage finance professions, scattered into 2 established associations and one under establishment, which puts limitations on membership increase.

E. Training Programs

The Egyptian Mortgage Brokers Association's Treasurer, Mr. Alaa Bondok, developed a training curriculum on the financial aspect of mortgage finance law, and a comparative study on implementation differences in mortgage between banks and mortgage companies. EMBA has organized 3 training programs for its members and also invited employees from the two mortgage companies.

In addition, EMBA Chairman, Eng. Khaled Rasekh, developed a training curriculum for mortgage broker's professional training needed for licensing. EMBA cooperated with the AUC to deliver this training program.

F. Communication Tools

EMBA designed a logo, letterhead, and developed and printed a brochure containing a brief background about association establishment, mission, and strategic objectives. EMBA also planned services, and membership criteria.

G. Networking and Building Alliances

EMBA leaders approached leaders of the other established Mortgage Brokers Association to explore mutual cooperation, but egoistic matters and personal competition between leaders hindered any action.

B. THE MORTGAGE BROKERS ASSOCIATION

The Mortgage Brokers Association (MBA) was established on 9th June 2004 – 2 weeks before the other mortgage brokers association. MBA is headed by Mr. Omar Haridy – member of the Egyptian People's Assembly. Founding members were 15 licensed mortgage brokers out of a total of 29 licensed mortgage brokers at that time. Five members serve as the board of directors of MBA with a total membership of 66 members. Membership fees are 200 L.E. The association has independent premises and three full-time staff; a general secretary coordinator, and an administrative assistant.

The association did not organize any significant activities, or provide services. MBA invited 3 guest speakers to lecture association members about mortgage finance. The three guests were professors from the University of Asuit.

MBA Vision

MBA leaders explained that their vision is to educate mortgage brokers to be mortgage consultants in order to provide mortgage services outside Egypt through connecting with international mortgage offices.

Mission Statement

MBA aims to develop the capabilities and knowledge of mortgage brokers and upgrade their performance to meet international standards for the overall development of the real estate industry.

SWOT ANALYSIS

Strengths:

- Chairman is a member of the People's Assembly
- Independent premises and three full-time, paid staff
- Membership base is adequate at almost 30%

Weaknesses:

- Profession practices and practitioners are not up to the standards and ways of business maturity
- Association did not perform any activities

Opportunities:

- Merge with the Egyptian Mortgage Association and to become a sound lending organization

Threats:

- Competition between several associations and several leaders. Mortgage brokers group is the only discipline of mortgage finance professions, scattered into 2 established associations and one which is under establishment.

FINDINGS

A. EMBA Performance

MBA did not deliver any added value services or activities to its members.

B. Financial Independency

MBA does not have financial resources, other than membership fees, which is very minor – 200 L.E. /per year. Yet, MBA leaders are investing their financial resources to build the association; they donate the needed finances to pay three full-time staff and the rental of independent premises.

C. PROGRESS AND RECOMMENDATIONS FOR MORTGAGE BROKERS GROUP

PROGRESS

Mortgage Brokers Seminar

A gathering was held on Tuesday, 9th January, by EFS, in cooperation with the MFA, for licensed mortgage brokers. 190 brokers attended, as well as around 25 officers from the MFA. A presentation on the importance of the broker's role and duties in the Egyptian mortgage market was delivered by Chairman Saleh, followed by a presentation by the COP, showing the broker's role in more advanced mortgage markets. The event was concluded with a Q & A from brokers to the chairman, his deputy, and the manager of the GSF.

Chairman Saleh clarified that, as per the mortgage law, the mortgage broker's role is to market the mortgage system through assisting individuals to enjoy mortgage, selecting the suitable payment mode, and presenting mortgage general terms to the investor, along with identifying risks, assisting in preparing the mortgage file, and submitting it to the lender. He pointed out that the law set forth the broker's obligations; presenting the mortgage key provisions and risks, and attaching the investor's acknowledgement of receipt and review of the copy, before signing the mortgage agreement. The broker is not allowed to receive any charges or commissions from the investor, only from the lender. The broker should record all mortgage transactions and documents in which he/she participated in a special book.

He further mentioned that the MFA developed a plan to enhance the mortgage broker's function, including improvement of license examination, its renewal, relevant training courses, and enforcing the Brokers Association's role, in order to strengthen their status, defend them, and claim their rights.

The event witnessed hot discussions and complaints from mortgage brokers, which reflected their frustration from their marginal role in the mortgage industry. Major feedback from the event was:

- There is no commitment in the mortgage law towards mortgage brokers, as the law did not force the MFC or banks to deal with mortgage brokers, while it did place this enforcement with appraisers.
- Current mortgage lenders, as well as products, are limited; therefore, customers do not value the service of the mortgage broker.
- Mortgage brokers complained that the MFC treat them with disrespect.
- Brokers complained that, after the files are prepared by the mortgage broker and submitted to the MFC, the MFC tends to default on payment of the mortgage brokers commission. The MFA chairman invited the brokers to forward any complaints from the MFC to the MFA and promised to investigate the cases and issue a reply.
- Mortgage brokers requested that the MFA board have a representative for mortgage brokers.

- Some suggestions were raised by mortgage brokers, such as that the MFA collect the fees on behalf of the mortgage brokers. Also suggested was that the MFA temporarily enforce dealing with mortgage brokers for 5 years, until they are introduced to the market. These suggestions reflect misconception and lack of awareness and knowledge of mortgage brokers for both the mortgage law as well as their role in the market. Accordingly, the MFA chairman requested that brokers be more aware and knowledgeable about the law, especially in the area of GSF. The GSF monetarily subsidizes the property price, not the lending interest rate. Accordingly, citizens pay less installments and less interest.
- The event was attended by licensed mortgage brokers. Members and leaders of the two established mortgage brokers associations were present. All participants called for unifying association efforts to have one, strong, association representing mortgage brokers. This was strongly supported by the MFA chairman.
- Unfortunately, discussions between mortgage brokers turned unprofessional, which upset the MFA chairman and forced him to terminate the seminar, while making the following decisions:
 - EFS should NOT provide support to mortgage brokers associations
 - The MFA will require the BOD to issue a directive requesting mortgage brokers to become members of the lenders association in case of license renewal
 - The MFA will revisit the licensing and renewal conditions and will require them to be reviewed.

RECOMMENDATIONS

A. Association Structure

Mortgage brokers' principle complaints were of not being made to feel welcome, or in proper contact, or in a cooperative relationship, with lenders/mortgage finance companies. Also, they called for a sound and effective mortgage lending association, since it is in the favor of parties to have mortgage lenders and mortgage brokers in one association. EFS can facilitate and coordinate between leaders of the two mortgage brokers associations and the Egyptian Mortgage Association since:

- The Egyptian Mortgage Brokers Association formally submitted, in March, a proposal to the Egyptian Mortgage Association, requesting to be merged with their association; and
- As per meeting with Egyptian Mortgage Association leaders, the EFS mortgage team was informed that the request for merging will be accepted; also
- As per meeting with leaders of the second mortgage brokers association, who learned about the EMBA request to merge with the EMA, and the MFA support for this approach. Accordingly, they will also approach EMA requesting a merge.
- Above all, as per the directions of the MFA chairman, for EFS not to provide any support for mortgage brokers associations, and his intention

to issue a directive requesting mortgage brokers to become members of the mortgage association as a pre-requisite for license renewal.

B. Professional Education

Mortgage brokers' performance is not up to an adequate level. Their knowledge and awareness need to be increased. There is a pressing need to develop and upgrade professional education and training provided to mortgage brokers.

There are three available professional training programs for mortgage brokers in the Egyptian market; the Faculty of Commerce/Cairo University program, the Egyptian Association for Mortgage Brokers program, delivered in cooperation with the AUC, and another program also developed by EMBA leaders, which was delivered to association members and MFC employees. The three curriculums were obtained and studied by EFS mortgage team to identify subjects to be covered and areas to be included. Building on available curriculums, EFS can support the mortgage brokers profession in developing a comprehensive, up-to-standard, professional mortgage brokers course, similar to that of appraisers and lenders, as well as conducting TOT sessions.

After the merging of the mortgage broker associations takes place, and after consulting with the MFA, EFS can support mortgage broker groups efforts to deliver the mortgage brokers professional training, similar to that of the Appraisers Association. A decision regarding the correct strategic partner needs to be taken. Options could be; a cooperation with EBI, since it is the strategic partner of the Mortgage Association, or the American University in Cairo, since the association has previously cooperated with the University to deliver the association-developed mortgage broker course.

Also, similar to appraisers, EFS can assist mortgage brokers in developing upgraded and updated training programs for license renewal.

C. Information Center

EFS can assist mortgage brokers to be exposed to latest business trends, and to be updated with best business practices, through providing the association with basic industry text books, and subscriptions to international periodicals.

D. Representation of Profession at the MFA Board of Directors

Requesting appointing representative of mortgage brokers at the MFA Board of Directors, to speak for the profession interests similar to appraisers, has been excessively raised by practitioners. Mr. Omar Haridy, Chairman of the Mortgage Brokers Association – and member in the Egyptian Parliament – announced in the mortgage brokers seminar with the MFA chairman that he spoke with the Minister of Investment about this issue, and the Minister supports the idea.

E. Code of Ethics

The Egyptian Mortgage Association has only a draft for a proposed code of ethics, while the Egyptian Mortgage Brokers Association has developed and finalized a code of ethics for the profession. After merging the mortgage brokers association with the mortgage

companies association, to form one strong, entity representing lenders, EFS can assist in developing a code of ethics for the lenders group.

D. EGYPTIAN ASSOCIATION FOR FORECLOSURE AGENTS (EAFA)

The newly established Egyptian Association for Foreclosure Agents was registered in January 2007. EAFA is headed by Mr. Sayed El-Habashy, one of the market leaders in property evaluation, but did not set for appraisers licensing. Mr. Habashy also lectures at the mortgage brokers training program offered at Cairo University. He also chairs two other associations:

1. The Egyptian Scientific Organization for Expertise, Evaluation, and Liquidation; and
2. The Egyptian Organization of Property Realtors.

Seven members serve on the Board of Directors of EAFA. The founding members were 16 licensed foreclosure agents. EAFA current membership consists of 26 members, while the total number of licensed foreclosure agents is 28. Membership fees are 1000 L.E./year, plus 1000 L.E. initiation fees. In addition, all board members deposited 6000 L.E. to support the association's financial start-up. The association has independent premises and two full-time staff members; a coordinator, and an administrative assistant.

EAFA leaders explained that they have been trying to meet with Mr. Osama Saleh, the MFA Chairman, for 3 months, to bring to his attention some issues to better regulate and upgrade the practices of foreclosure agents; however they have not yet managed to establish any contact with him.

Mission Statement

EAFA aims to develop the capabilities and knowledge of foreclosure agents and to upgrade their performance and practices to meet international standards for the overall development of the real estate industry.

SWOT ANALYSIS

Strengths:

- Chairman is a prominent market player in real estate evaluation
- Independent premises and two full-time, paid staff
- All licensed foreclosure agents are members of the association

Weaknesses:

- Professional education, essential for licensing, is very weak, which negatively affects profession practices and practitioners performance

Opportunities:

- Association can play a prominent role in delivering professional education, since EAFA leaders requested the assistance of EFS to develop a comprehensive professional training program for foreclosure agents

Threats:

- Chairperson is very egoistic.

FINDINGS

A. Association Establishment

It should be noted that the Egyptian Association for Foreclosure Agents has been established as a GENERAL association. This means that no other associations for foreclosure agents can be established unless affiliated from the mother association. This legal fact strengthens the existence of the association.

In addition, EAFA leaders have strong enthusiasm about their association, as EAFA already has independent premises and full-time, paid staff.

B. Leadership and Membership

Mr. Sayed Al-Habashy, head of EAFA, is a prominent market figure in asset and property evaluation; however he is not a certified appraiser. Mr. Habashy also chairs two other associations in the field of property evaluation; one of them is the Egyptian Organization of Property Realtors, and is a very active association. As Mr. Habashy informed the EFS team, the Organization of Property Realtors, in cooperation with Ain Shams University, established a real estate appraising diploma. The diploma is a two year program; one year academic study, and one year practical study. The association, in cooperation with the university, organized an event to announce and present the diploma program. The MFA chairman was invited to the event, but he delegated Eng. Hussein AlGebaly to attend in his place.

C. Financial Resources

All EAFA board members deposited 6000 L.E. as a donation to support the association's financial start-up. The association paid for independent premises and two full-time staff members; a coordinator, and an administrative assistant.

RECOMMENDATIONS

Association Structure Progress

In the early phase of research, in order to develop this report for EFS, this consultant recommended to merge the foreclosure agents group into the mortgage association, along with mortgage brokers, to form a sound lending organization. However, considering the fact that the foreclosure association had been registered as a general association, this previous recommendation would be meaningless.

Advocacy

As explained by EAFA leaders, there are some issues that the association needs to start advocating for, in which EFS can assist, by facilitating communication with between the association and the MFA. These issues are:

1. Similar to the appraiser's association case, with the enforcement of Central Bank law, EAFA needs to address the Federation of Egyptian Banks, with the support of the MFA, to enforce Central Bank law of 2005, Article 102, section 2 that requires banks to use the services of licensed foreclosure agents in cases under the mortgage finance law. The next step will be to generalize this law as to enforce banks to use the services of foreclosure agents in all cases – not only those under the mortgage finance law.
2. Parallel to previous movements, foreclosure agents must request that the Minister of Justice issue a ministerial decree with names of licensed foreclosure agents to foreclosure judges, requesting them to abide by Central Bank law.

Training and Education

EAFA leaders requested EFS technical assistance in order to develop a comprehensive professional training program to qualify foreclosure agents for licensing. EAFA leaders explained that the current training program is below standards and lacks a lot of legal and practical aspects.

Website

EFS can assist EAFA develop a website to speak about the association, and publicize its activities.

Code of Ethics

EFS can assist the Egyptian Association for Foreclosure Agents in the development of a code of conduct/code of ethics.

Representation of Foreclosure Association Leaders in MFA Licensing Committee

EAFA leaders explained that one of the reasons for the weak practices and performances of foreclosure agents is that some of them provide false certificates of experience. And, since the MFA licensing and listing committee is appointed by a directive and not a law, then the MFA chairman is able to add to and modify it. The EAFA association requests the representation of one or two of the association leaders on the MFA foreclosure agents licensing committee.

Representation of Profession at the MFA Board of Directors

Requesting appointing representatives of foreclosure agents at the MFA board of directors, to speak for the professions interests similar to those of appraisers, has been raised by association leaders.

ANNEX A: KEY FINDINGS

Association's Management Practices

- All association practices are at an adequate level of modern association management techniques, such as committee formation, board meetings, and assigning duties and responsibilities. Also, all associations exercised a close to progressive level of applying association's management trends, such as; membership development, fundraising activities, developing communication tools, providing non-dues services, and policy advocacy. In addition, all associations built cooperative partnerships with alliances such as EBI with the mortgage association, American University with the Arabian association, and Cairo University Real Estate Center and the appraiser's association. Associations with good achievement records are appraiser's and Arabian's associations. The mortgage association needs to be seriously guided, with close follow-up, until leadership appears and takes over. The two mortgage broker's associations did not achieve any results. While the foreclosure association is just one month old.

Business Plan Progress

- EFS 3 partner associations; appraisers, mortgage, and the Arabian association, with different degrees, successfully moved forward with implementing the designed activities in their previously developed business plans with the EFS consultant in March 2005. Both the Arabian and appraiser's associations are on the right track in developing progressive associations. The mortgage association needs to be followed-up and closely guided.

Financial Independency

- None of the associations waited for EFS financial assistance and funding, although EFS has previously raised their expectations. Arabian association rented premises, hired staff, and developed a website and a code of ethics. Appraisers association developed a website and a code of ethics, developed a plan to hire staff by mid-2007, and the association chairman participated in international appraising conventions, at his own expense, representing the association. Again the mortgage association, although the richest revenue of mortgage training programs with EBI, did not invest any of its financial resources in developing plans or carrying out activities.

Volunteer Performance

- Associations' leaders and members are very cooperative and willing to invest their efforts and time to advance their association and make membership an added value. Volunteers have also worked on the internal competition and balance of power between leaders.

Non-Dues Services/ Education Programs

- All associations developed value added services for their members; the mortgage association developed a magazine, and the appraisers association cooperated with Cairo University Real Estate Center in developing and delivering the training program needed for license renewal. Arabian Real Estate Association developed and started delivering the first round of training programs on real estate basics, in cooperation with the AUC.

Fundraising Activities

- All associations created and implemented fundraising techniques. Besides the training and education programs, the three associations are delivering in cooperation with other partners. Some other fundraising activities were implemented such as; advertisement revenues in the mortgage association magazine and the printed association's membership certificates for the appraisers association.

Membership

- All associations increased their membership base. Mortgage association membership increased by (still need accurate number) %. Arabian Real Estate Association membership increased 200%. Appraisers association membership increased (still need accurate number) %.

Code of Ethics

- The appraisers group, mortgage brokers group, and real estate agents group, all have developed a code of conduct to regulate practices in their business discipline. A code of ethics has been approved and circulated between members to be abided by. Again, only the mortgage association did not further itself, since they developed a code of ethics in draft form only. It has not even been circulated to members outside the board of directors

Communication Tools

- All associations found a way to speak out and communicate their message to the public, except the mortgage association. The appraiser association developed a website, although it needs to be upgraded. The Arabian association developed a website too, but that also needs to be upgraded. And the Egyptian Mortgage Brokers Association developed a printed brochure.

Building Cooperative Alliances

- All associations are out to build strategic alliances. The mortgage association developed a strategic partnership with EBI through lots of contractual difficulties. The appraisers association cooperated with Cairo University Real Estate Center to develop and deliver license renewal courses, amid conflict of interest claims

and concerns. Also, the Arabian Real Estate Association smartly invested the position of their chairman as chairman of another association – the Mortgage Brokers Association - and shared with them available premises and staff, which eased start-up procedures.

ANNEX B: KEY RECOMMENDATIONS

A. ASSOCIATION BUILDING

Association Development Strategy

- EFS should shift its focus to institutional building rather than capacity building. EFS should assist strengthen partner associations to stand as a solid institution able to influence the policy making process by connecting between regulators and practitioners. EFS should concentrate on achievements and results of association's activities and advocacy.
- EFS should secure MFA blessing on EFS association strategy before approaching association with proposed cooperation plan.
- EFS should assist partner association to continue developing its business plans for 2007 and the following years. These business plans should be used as parameters to monitor and evaluate association's performance – monitor and review mechanism.
- EFS in-house communication team can assist counterpart associations develop communication and outreach plans, and perhaps organize media function or something similar.

Financial Contribution

- EFS financial contribution to partner associations should be focused on activities related to public policy advocacy and profession upgrade.
- EFS could assist in the capacity building of association in some technical areas, such as developing or upgrading of existing website, assist the association to start building information resource center containing latest technical text books and perhaps annual subscription to international specialized periodical.

Sound Lenders Association

- For a sound lending association, supported by the MFA. Intention to issue a directive requesting mortgage brokers to be members of the Egyptian Mortgage Association. EFS can support the application of the Egyptian Mortgage Brokers Association's leaders, submitted in March 2006, requesting the merge of their association with the Egyptian Mortgage Association. A similar action - during completion of this assignment - was proposed to the Mortgage Brokers Association.

Association Training

- EFS can bring in some corporate governance concepts into EFS partner associations practices. A special focus could be given to leadership and open

access of members to participate in the decision-making of their association, as well as internal checks and balance mechanism. This activity could be achieved through conducting a second round of Association Board Orientation Workshops, presenting best practices in these concepts, and how association's board can apply these mechanisms to institutionalize their associations.

- Training of association executives and leaders is an important element of the institutional building of associations. Series on latest association management trends such as; policy advocacy, membership development and membership services, fundraising and financial management, association communication and marketing. (Annex C shows proposed training plan for association leaders.)

B. ADVOCACY

Regulatory Frame for Real Estate Agents

- Although the mortgage finance law does not regulate real estate brokers, their role as points of sales affects the real estate industry growth enormously. EFS should assist this group in reviewing their regulatory conditions and advocate for a world standards certification and/or licensing system. The first step to obtaining a mortgage is finding a suitable home. This could be an area where real estate agents fit in.

Mortgage Finance Professions Focus Group

- It is suggested that EFS sponsor and facilitate organizing an event between the MFA chairman and associations' leaders and members – each association separately. This meeting should be an open discussion between the regulator and practitioners, regarding industry problems, as well as the associations' role in the market. A meeting with the mortgage brokers group already took place.

National Real Estate Conference

- Outcome of previous events between the MFA and mortgage market players such as problems, suggestions, regulations to be reviewed and modified, common obstacles facing mortgage players, etc., will be assembled by each disciplined, professional association in a white paper, addressing baseline, prioritized, pressing matters and topics to be presented to regulators (the Ministry of Investment, the MFA, other regulatory parties involved in real estate and the mortgage industry), in a National Real Estate Conference to be sponsored by EFS, with the participation of all real estate and mortgage players, including developers. This may take place during the last quarter of 2007.

Representation of Profession at the MFA Board of Directors

- Request appointing representative of foreclosure agents at the MFA Board of Directors to speak for the profession's interests, similar to that of the appraisers raised by association leaders.

C. TESTING AND LICENSING

MFA and EFS Licensing Strategy

- With the assistance of the EFS project, the MFA will conduct rigorous examinations to certify that professionals have the required expertise to merit being licensed. A series of examinations will be developed. Tests will be computer administrated and scoring will be instantaneous.
- The market will provide any necessary training based on a list of topics covered in the examination for each discipline that is published by the MFA. No course will be absolutely required. This will ensure no monopoly in training for the examination in any discipline.

EFS Association Building Strategy

- EFS aims to build professional associations as self-regulating institutions, and strengthen its role as a lobbyist group in establishing and upgrading industry standards. EFS is also aware of the importance of empowering these professional groups to stand as the voice of industry.
- Based on the above testing and licensing strategy, as well as EFS association development strategy, EFS can support its partner associations in playing a genuine role in fostering the growth of well-informed and trained professionals in the real estate mortgage industry. Professional associations can place themselves in the market as a reference for professional education required for licensing, as well as the source of continuous education and professional upgrade. EFS can support associations' aspirations to deliver to the market high demand, added value, comprehensive, professional training programs.

Appraisers Association as Professional Training Provider

- With reference to previous efforts, led by EFS, in contracting the Appraisal Institute, to develop a comprehensive appraising training program, in cooperation with the Egyptian Association for Real Estate Appraiser's members and experts, to adopt and localize the training program to the Egyptian market. In addition to the enormous effort and time invested by EFS, AI, and association members participating in TOT, workshops took place to establish a high level cadre of local instructors from association members to teach this course. An AI series of developed courses are being merged now with the Cairo Center curriculum to produce one comprehensive program. This is being carried out by a team led by Dr. Anis, Chairman of Cairo University Center.
- EFS can propose to the MFA that this comprehensive program be delivered by the Egyptian Association of Real Estate Appraisers. And, on the other hand, EFS can advise the Appraisers Association to lobby and advocate the MFA for this purpose.

- The rationale for the previous scenario is that it matches EFS aims to empower professional associations to deliver member demand driven services, and provide the market with high quality, trained professionals. In addition, this kind of technical assistance corresponds with EFS association assistance strategy which is based on institutional building of associations as lobbyist groups. On the other hand, the Appraisers Association qualifies for this privilege, since both leaders and members cooperated actively with EFS and AI for the development of these courses, and members set the TOT workshops in the hope that the association will deliver this course in the future. Optimistically, this will also be accepted by the MFA, similar to that of the Mortgage Association model.

Appraisers Association Building Strategic Partnership with Alliances

- EFS can support the form of cooperation between the Appraisers Association and Cairo University Real Estate Center, which was manifested in several occasions such as, three association seminars, two Ramadan Iftars, and training programs, currently being offered for license renewal. EFS could propose to the Appraisers Association to build a strategic partnership with Cairo University Real Estate Center to deliver the appraisal training program. While opening the market freely for training providers, it is in both parties favor to gather forces. The Appraisers Association should invest the reputation and experience of Cairo University Real Estate Center, which used to be the sole official training provider for license appraisal. Since the chairman of both institutions is the same person – Dr. Anis – this should ease the partnership process. And, again, hopefully, this will also be accepted by the MFA, similar to that of the Mortgage Association model.
- Association with a readily comprehensive, high-level course, in partnership with the experience and reputation of Cairo University Center, while, at this early stage, opening the market freely to training providers, both parties can subcontract and cooperate with other potential institutions to deliver the course in different geographical areas around Egypt.

Mortgage Association as Professional Training Provider

- With the MFA's blessing, the Mortgage Association, in cooperation with EBI, delivers hands-on, world-class training programs to foster the growth of well-informed and trained professionals for the lending sector. Similarly, EFS can support the Mortgage Association's involvement as co-certifying body in the certification program for loan officers, being prepared by the MFA and EBI, with association participation.

Mortgage Brokers Structure and Professional Training

- A comprehensive, up-to-standard, training program for mortgage brokers needs to be developed. EFS reviewed the 3 available mortgage brokers' training programs outlines, and all of them are far below standards. There is a pressing need to develop an up-to-standard, comprehensive, professional, program for mortgage brokers. EFS can assist in this effort, similar to project effort with appraiser and mortgage training.

- If the merging of two mortgage brokers associations into a mortgage finance association takes place, and after consulting with the MFA, and studying new circumstances and new leaders compositions, EFS can decide upon supporting mortgage brokers' efforts to deliver mortgage brokers professional training, similar to that of the appraiser and mortgage associations. The association needs to decide on the right strategic partner. Options could be: EBI, because they are the strategic partner of the Mortgage Association, or the American University in Cairo, since the association has previously cooperated with them to deliver association leaders a developed mortgage broker course.

License Renewal

- For both appraisers and mortgage brokers, the system for license renewal would correspond with a licensing system to be based on an exam at the MFA. Typically EFS can assist – or advise - associations develop, upgrade, and update a training program that members can set for license renewal. Similar to what the Appraisers Association, in cooperation with Cairo University Center, applied – delivering two update training programs – the mortgage brokers can develop upgrade courses for license renewal.
- The Arabian Real Estate Association, along with settling on their new regulatory situation, and organizing a certification or licensing system, needs for an assessment on training and profession upgrade to take place.

ANNEX C: ASSOCIATION'S BOARD OF DIRECTORS PROPOSED ORIENTATION WORKSHOPS

EFS can work with existing real estate associations, to assist them build their professional capabilities to stand as the voice of the business, in terms of serving and protecting their members interests. The ultimate objective of this training component is to upgrade the knowledge and abilities of EFS counterpart association's leaders, to move ahead with positioning associations as principle market players, able to foster the growth of well-organized, informed, and trained professionals in the real estate industry, and open communication channels between practitioners and regulators.

To update partner association board of directors with latest trends and techniques in association management. To introduce the professional practices in association operation such as, board/staff issues, strategic planning, communication and marketing, fundraising, policy advocacy, and financial management. Orient association leaders to the importance of developing programs and activities that will create solid membership, develop a value added menu of services, sustainable income-generating projects, and long lasting institutions able to produce results in a democratic society within a market driven economy. After these series of workshops, association board of directors should be able to develop their association's mission, vision, goals, and objectives. They also should be able to translate these insights into projects and activities incorporated into a complete, strategic plan and detailed action plans that reflect the association's progress, as well as planned activities.

In a nutshell, this orientation program should introduce to association board of directors, how to move from the start-up phase of their association, to real progress. This is a good time to do it, as associations are beginners and hence flexible to digest the new, rather than adapt to changes. The workshop should deliver the following message:

- Orient partner associations board of directors with basic principles to successfully manage a business association.
- Workshop should answer the following questions:
 1. Why are associations established?
 2. What is the association's role to members/relationship with government/and community?
 3. Who are the members?
 4. How can the association attract members and potential members' investments to the association?
 5. How should the money of such groups be managed?
 6. How should the association's story be told to the public and to the government?
 7. How should the goals and priorities of the association's leaders be determined and accomplished?

ASSOCIATION MANAGEMENT LATEST TRENDS TRAINING PLAN MATRIX

Program Name	Training Method	Language	Targeted Audience	No. of Parts.	No. of Days	Time Frame	Expected Results
1. Association Public Policy Advocacy	Workshop	English with Arabic translation	EFS counterpart associations board of directors, appraisers, lenders (mortgage brokers), foreclosure and real estate agents	Appraisers 7 Lenders 9 Foreclosure 9 RE agents 11 Total: 36	2		Associations play a crucial role in influencing the passage of legislations that improve the business climate and potential for economic growth. Association leaders should be able to build an effective business advocacy plan based on accurate research and the deliberations of its members and board.
2. Association Communication and Marketing	Workshop	English with Arabic translation	EFS counterpart associations board of directors, appraisers, lenders (mortgage brokers), foreclosure and real estate agents	Appraisers 7 Lenders 9 Foreclosure 9 RE agents 11 Total: 36	2		After this workshop, association board of directors should be able to develop their association's communication strategy, and identify communication tools that serve their goal. They also should be able to translate these insights into marketing activities and programs, which expose association to a public audience, as well as government and beneficiaries.
3. Association Membership Development and Members Services	Workshop	English with Arabic translation	EFS counterpart associations board of directors, appraisers, lenders (mortgage brokers), foreclosure and real estate agents	Appraisers 7 Lenders 9 Foreclosure 9 RE agents 11 Total: 36	2		After this workshop, association board of directors should be able to increase their membership base, add new membership categories, develop new non-dues services, and understand the importance of a solid membership base, as well as membership retention vs. development.

4. Association Fundraising Trends	Workshop	English with Arabic translation	EFS counterpart associations board of directors, appraisers, lenders (mortgage brokers), foreclosure and real estate agents	Appraisers 7 Lenders 9 Foreclosure 9 RE agents 11 Total: 36	2		Association board of directors should have the ability to raise money, account for it properly, and spend it wisely. Association leaders should know how to face a declining bank account, poor cash flow, and the increasingly anxious association member's demands.
5. Association Financial Management	Workshop	English with Arabic translation	EFS counterpart associations board of directors, appraisers, lenders (mortgage brokers), foreclosure, and real estate agents	Appraisers 7 Lenders 9 Foreclosure 9 RE agents 11 Total: 36	2		Association board of directors should know that proper financial management is not optional but a legal and moral requirement for all associations. The CEO and board have joint oversight roles, which include the responsibility to ensure that the organization's assets are protected, the operations are profitable, and the financial information is accurate.

ANNEX D: EFS COUNTERPART ASSOCIATIONS ACTION PLAN

Activity	EFS Project Action	Association Action	Priority
Egyptian Association for Real Estate Appraisers			
Comprehensive appraising course (finalize AI and Cairo University courses merging).	Finalize deal with Dr. Anis.		High
Association own and deliver the course in cooperation with Cairo University.	EFS support association lobby at MFA.	Association to lobby at MFA for course ownership.	High
Continuous education annual workshops credit hours for license renewal.	EFS to support Association lobby at MFA. Maybe participate in some of these seminars by presentation from EFS international experts on any real estate issues.	1. Organize 2 seminars per month; members must attend 6 seminars per year credit hours for license renewal. 2. Lobby MFA to approve credit hours among pre-requisite for license renewal.	Medium
Upgrade professional level.	Event for MFA Board and association members, and provide presentation on best practices from IVSC expert.	Association already presented a proposal to MFA.	High
Advocacy issue: event with CBE, banks and association members to discuss appraiser fee rate issue.	EFS to finance and participate in the event.		High
Building resource center.	EFS to finance buying text books and subscription to 2 international periodicals.		Medium
Upgrade website.	EFS can assist in upgrading existing website.	Association already developed website, but needs upgrade.	Low
Communication tools; develop simple brochure.	EFS communication team in cooperation with association leaders to develop content and design. EFS finance printing.	Association to provide content.	Low
Business event with MFA chairman.	EFS to finance and organize.	Association leader to prepare policy issue papers with EFS technical team assistance.	Step towards National RE conference.
The Arabian Real Estate Association			
Real estate agent	1. EFS to provide local	Association leader to approach	High

legal review.	legal consultant to study current regulatory frame for this group. 2. International consultant to present best practices. 3. EFS to support association lobby activities.	decision makers based on legal consultant's recommendation and advocacy for their regulatory review.	
Establish certification system.	1. EFS to introduce best practices. 2. Needs assessment to identify areas requiring upgrade.	Education committee to participate in identifying training needs and explain current market status.	High
MLS	EFS to introduce best practices in event for stake holders.	Leaders requested EFS technical assistance.	Medium
Building resource center.	EFS to finance buying text books and subscription to 2 international periodicals.		Medium
Upgrade website.	EFS can assist in upgrading existing website.	Association already developed website but needs upgrade.	Low
Communication tools; develop simple brochure.	EFS communication team in cooperation with association leaders to develop content and design. EFS finance printing.	Association to provide content.	Low
Business event with MFA chairman.	EFS to finance and organize.	Association leader to prepare policy issue papers with EFS technical team assistance.	Step towards National RE conference.
Egyptian Mortgage Association			
Board Reformation.	EFS to support and urge association leaders with close follow-up.	Association leaders to approach leader of GFS, MFA, new mortgage company.	High
Merge of two mortgage brokers associations.	Facilitate meetings and coordinate between leaders.	Association to add representation of MB to the board and add new membership category.	High
Certification of loan officers with EBI.	Support the association lobby at MFA to participate as certifying body.	Association to lobby at MFA.	High
Policy advocacy.	EFS can guide EMA on how to lobby and target decision makers on policy issues.	Association to identify key policy issues and lobby for them – several issues need to be addressed.	High
Magazine.		Association to handle.	low
Develop website.	EFS financial assistance.		Medium
Building resource center.	EFS to finance buying text books and subscription to 2 international periodicals.		Medium
Code of ethics.	EFS can assist in developing one code of ethics for lenders.	Two drafts available; one was developed by mortgage association and one was developed by EMBA.	Medium

Business focus group with MFA. chairman	EFS to finance and organize.	Association leader to prepare policy issue papers with EFS. technical team assistance	Step towards National RE. conference
Mortgage Brokers Group			
Merge of two mortgage broker associations into EMA.	Facilitate meetings and coordinate between mortgage broker's leaders and leaders of the EMA.	Association to add representation of MB to the board and add new membership category.	High
Professional education.	Develop comprehensive professional training program building on the existing one.	Build on the 3 programs developed by association leaders.	High
Building resource center.	EFS to finance buying text books and subscription to 2 international periodicals.		Medium
MB representative on MFA board.	EFS can explore this issue with MFA.		
Code of ethics.	EFS can assist in developing one code of ethics for lenders - after merging into EMA.	Two drafts available; one was developed by mortgage association and one was developed by EMBA.	Medium
Egyptian Association for Foreclosure Agents			
Policy advocacy; address CBE and Minster of Justice.	EFS to facilitate communication with MFA and other decision making entities. Maybe also organize a seminar to present issue with all stakeholders invited.	Association leader to lobby and approach decision makers, develop issue paper.	High
Professional education.	Develop comprehensive professional training program building on the existing one.	Association leaders willing to participate in curriculum development.	High
Develop website.	EFS to finance.		Medium
Code of ethics.	EFS can assist by funding local legal consultant, or through assistance from EFS in-house legal consultant, in cooperation with association leaders.	Association leaders will assist in the development.	Medium
Representation of foreclosure association leaders in MFA licensing committee.	EFS to support association lobby at MFA.	Association to lobby at MFA.	High
MB representative at MFA board.	EFS can explore this issue with MFA.		
Business focus group with MFA chairman.	EFS to finance and organize.	Association leader to prepare policy issue papers with EFS technical team assistance.	Step towards National RE conference.

General Activities			
National Real Estate Conference.	EFS to finance and organize.	All associations to present business issue papers in each mortgage finance discipline.	
Communication plan.	EFS in-house communication team can assist associations develop communication and outreach plans.		
Develop business plan.	EFS can assist counterpart association continue to develop business plans that could be used and monitor mechanisms.		
Association leaders training.	EFS bring in international consultant and organize the training.	Association leaders to participate.	