



AFFORDABLE HOUSING FINANCE COMPANIES

**Securitisation volumes originated by
affordable housing finance companies
expected to increase by 27% in FY2025**

AUGUST 2024





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Share of sell-down has remained ~15% of total disbursements of AHFCs over the last four years.

DA is the most preferred route for sell-down of mortgage loans by the AHFCs.



- Assets under management (AUMs) of affordable housing finance companies (AHFCs) stood at ~Rs. 1,25,000 crore in March 2024, which forms ~13% of the total outstanding housing finance company loan book.



- Share of sell-down has remained ~15% of total disbursements of AHFCs over the last four years. Direct assignment (DA) has accounted for ~86% of the overall securitisation.



- Average collection efficiency for ICRA-rated pass-through certificate (PTC) transactions originated by the AHFCs have remained strong at more than 97% for the past 3-year period.



- The delinquency levels in ICRA-rated pools have been low with 90+dpd (days past due) below 1%.



- With the hike in repo rate Q1 FY2023 onwards, PTC yields have also shown a similar trend, moving in tandem with the increased interest rate in the market.



- With projected growth in AUM in this sector, new players are likely to resort to securitisation to raise funds.



- ICRA expects securitisation volumes to rise in FY2025 to ~Rs 8,800 crore and sell-down, as a proportion of disbursements, to remain stable.



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