



For Immediate Release

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NHT STATEMENT ON INTEREST RATE SUBSIDIES

The National Housing Trust (NHT), wishes to clarify its policy decision on interest rate subsidies. Under the new policy, income is the sole determinant of the interest rate subsidy applied to mortgagors. The policy is aimed at ensuring equity and allocation of subsidies where it is most needed, that is, to the lowest income groups and the most vulnerable. The policy is intended for application to new loans.

For some time, the organization has been analyzing the manner in which it allocates subsidies. Under the prior approach, additional interest rate subsidies were applied to special groups. This resulted in persons who fell within those groups automatically attaining subsidies - whether or not they were needed in order to access or afford a loan. Conversely, potential beneficiaries who had similar or lower incomes when compared to persons within those special groups could not benefit from these subsidies. Therefore, subsidies were not being effectively applied based on financial need.

The new approach allows the NHT to focus its subsidy programme on the most vulnerable contributors, specifically, low income earners of all ages and persons with disabilities. It also allows more resources to be directed to those in need. Under the new policy, Special Grant for Persons with Disabilities (no cost to the beneficiary) has doubled to \$300,000. Further, a maximum of two NHT mortgagors with disabilities, residing in the same household (or caregiver of a person(s) living with disabilities), can now access a grant of up to \$600,000. By doubling the grant, these individuals are more equipped to upgrade their home to meet their special needs. The advantage to the recipient is immediate, rather than over the term of a mortgage.

Additionally, for new beneficiaries who are disabled, the NHT has made provision for scheme units, so allocated, to be fitted with the requisite amenities to enable maximum functionality. This will be at no additional cost to the beneficiary and will be in place prior to occupancy.

The NHT wishes to remind contributors that the interest rates subsidies only represent one aspect of the overall programme/products aimed at improving accessibility to housing benefits. There is a raft of other facilities that continue to bridge the affordability gap to include Home Grants, deferred mortgages and inter-generational mortgages.

The NHT believes that the change in its application of additional interest rate subsidies is a fairer and more effective approach, even as the Trust continues to provide greater assistance to those contributors who need it the most.

The NHT continues on its strategic path to significantly increase the supply and to improve the level of ownership of housing solutions to its contributors, particularly those at the middle and low-income levels.

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