

EB/CAP/76/11

July 14, 1976

To: Members of the Committee on Administrative Policies

From: The Committee Secretary

Subject: Salary Advances for Buying Homes

There is attached the sixth annual report prepared for the information of the Committee on Administrative Policies on salary advances granted for buying homes, covering the year ended April 30, 1976.

Att: (1)

Other Distribution:
Members of the Executive Board

INTERNATIONAL MONETARY FUND

ANNUAL REPORT ON SALARY ADVANCES FOR BUYING HOMES

Prepared by the Administration Department

June 13, 1976

In accordance with paragraph 9 of the proposals set forth in EBAP/69/227 (12/3/69), this is a report on the operation of the policy for granting salary advances to staff members for the purpose of buying homes. It covers the period May 1, 1975, through April 30, 1976.

During the past fiscal year applications were received from 66 staff members and 39 advances were approved, totaling \$575,400: 30 for staff in range F and above and 9 for A-E staff. The following table shows a breakdown of the advances which were granted:

Amount of Advance	Number Approved	Average Price of House	Average Salary at Time Advance was Approved	Average Percentage of Total Purchase Price Financed from Staff Member's Savings
Under \$5,000	3	\$55,131	\$17,473	11
\$5,000 - \$9,999	10	53,005	14,389	12.9
\$10,000 - \$14,999	5	55,960	14,110	16
\$15,000 - \$19,999	10	67,975	20,465	14.6
\$20,000 and over	11	88,880	25,500	18.2

Of the 39 staff members, a majority found it necessary to request advances close to or in the maximum amount of 12 months' salary. The breakdown was as follows:

Number of Staff Members	Months of Salary Advance	Interest Rate Applicable	Average Repayment Period
18	11 - 12	5 per cent	12 years
13	7 - 10	5 per cent	12 years
8	6 or less	3 at 4 per cent 5 at 5 per cent	9 years

As of April 30, 1976, there were 210 staff members with housing advances and the total amount outstanding was \$2,218,719 compared with 186 staff members with housing loans and a total of \$1,962,021 outstanding as of April 30, 1975.

Unlike last year, the mortgage financing has eased. However, due to the continued rise in house prices many staff members find it difficult to buy first houses in the Washington area, even with the maximum financial assistance now available from the Fund. During this fiscal year, 10 staff in range F and above and 17 A-E staff members were not granted salary advances for home purchase because their requests did not meet the criteria that apply.

No changes in the policy are recommended at this time.