

Subsidized Loan for Rural Housing

Ukraine has a number of legal frameworks for provision of affordable housing to low income people, people with special needs and people with vulnerabilities. While state funding for some of these programs has either stopped or diminished significantly, these frameworks may still offer useful avenues to humanitarian and development actors for provision of affordable housing to IDPs in partnership with local authorities and other third parties. One of these frameworks is the regional assistance program for individual house construction in the village.

Name of the Program

Regional Assistance Programs «Private House» for Individual Housing Construction in the Villages

Program Features, Terms and Conditions

- applicant permanently resides and works in the village area
- loan to individual applicant – provided for up to 20 years, to young families (under 35 years old) or single-parent families (mother/father under 35 years old) – up to 30 years with 3% annual interest rate
- interest-free loans for persons with 3 and more children, military servants, reservists and persons liable for military service
- maximum loan amount – 300 000 UAH for construction of a new house, 150 000 UAH for reconstruction of a house or completion of the construction, 200 000 UAH for purchase of a house and 50 000 UAH for construction of engineering networks and connection thereof to existent communication systems
- loan is transferred by parts upon completion of each construction stages (4 in total) according to construction schedules
- quarterly installment payments
- payments might be done (in part or fully) in the form of the cultivated agricultural products

- priority right to get a loan is given to i) persons who has applied to complete an existing structure ii) young professionals working in the village iii) war veterans iv) IDPs
- penalty is waived for late payments by IDPs starting from 14 April 2014 for the duration of the “ATO”

Implementation and Funding

- 97 800 village families received 1,28 bln UAH of state loan assistance since 1997, which allowed to construct over 1,6 mln m² of housing and to connect to existent engineering systems of 75 500 houses
- no funding provided from the general fund of the state budget since 2010
- in 2016, 2 616 loans were granted and 93 700 m² of housing were completed with funding from state budget special fund (39,5 mln UAH) and local budgets (93,9 mln UAH)

Legal Instruments

- Presidential Decree No. 222/98 as of 27 March 1998 on Measures for Promotion of Individual Housing Construction in the Villages
- CMU Resolution No. 376 as of 22 April 1997 on measures for Promotion of Individual Housing Construction in the Villages
- CMU Resolution No. 1597 as of 5 October 1998 on Approval of the Procedure for the Provision of the Long-Term Loans to Individual Housing Developers in Villages