

PUBLIC-PRIVATE PARTNERSHIP IN MORTGAGE CREDITING DEVELOPMENT

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The article analyzes the problems of mortgage crediting in the situation of low level of construction. Public-private partnership is considered as the main mechanism of problem-solving.

The level of providing citizens with accommodation is one of the main characteristics of the self-sufficiency of the nation and its culture development. However, this problem is one of the key ones in Russia.

Several times the government tried to find the solution to this problem, but no adequate mechanisms were developed. World practice considers mortgage crediting as the effective mechanism of solving the problem. Although this type of crediting is characterized by the growing number of submitted credits and a number of credit products taking into account the interests of borrowers, the input of mortgage transactions in financing the purchase of accommodation by the population of Russia is rather low.

The concept of developing the system of mortgage crediting in Russian Federation, approved by Government regulation on January 11th, 2000, considers mortgage crediting as one of the priority trends in national housing policy.

Housing policy is treated as the aggregate of forms and methods of government influence on the housing sphere targeted at solving social and economic problems, including the problem of provision the population of Russia with available and comfortable accommodation.

There are two main closely related challenges in the sector of national housing policy of mortgage crediting:

1. Stimulating the demand for accommodation among the part of population whose income does not allow to solve this problem without attracting mortgage crediting.

2. Stimulating the supply of accommodation that makes it possible to solve housing problems on terms acceptable for population - mainly defined by price factor.

World financial crisis made a serious influence on the development of mortgage crediting, revealing a number of complex problems both in mortgage crediting development, and

the ones existing in construction market. The negative influence in the system of mortgage crediting was firstly in the growth of interest rates that led to limiting the number of people able to get a mortgage credit, as well as in the growth of the number of debts of mortgage credit borrowers leading to decreasing the volume of bank crediting. The following problems appeared in housing construction: monopoly problem in the sector of construction materials production, a big number of intermediaries, speculative character of selling the real-estate, corruption. However the key problem is the absence of adequate financing. All these factors led to the jump of prices for real estate.

Public-private partnership is treated as the aggregate of the forms government and business interaction targeted at finding solutions to social problems at mutually beneficial basis. It means that government supports business in solving problems important of society.

The subjects of private sector provide project financing, efficient management, professional experience. The government provides the possibility of tax benefits, guarantees, as well as accomplishes its main function of control and regulation of the sociable orientation of the project. Therefore, we can speak of financial and budget character of any form of this partnership. As business see this, the main function of the state in public-private partnership is providing guarantees for investment projects.

In this context the government input into the housing problem-solving should be in submitting the guarantees for commercial banks concerning the return of the invested in construction credit resources in case the borrower - construction company fails to accomplish its liabilities on credit agreement.

The decrease of credit risks would make it possible to decrease the interest rates on credits. This position can be supported by the use

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of such financial tools as providing benefits on income tax got from financing housing construction by commercial banks.

The combination of government and market approaches to solving the studied problem makes it possible to draw together the interests of government and market structures, as well as to give the impulse to the growth of housing construction volumes.

Federal law № 214 "About the participation in blocks of flat construction and other objects of real

estate and making changes in the legislative acts of Russian Federation".

RF government regulation № 28 dated from January 11th, 2000 "About the ways of developing mortgage crediting in RF".

Regulation about RF Investment fund dated from 24.08.2006. №516.

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