

## **Reason and objective**

One of the reasons for the long waiting lists for social housing in the Caribbean Netherlands (Bonaire, St. Eustatius and Saba) is poor access to financing for the building. Housing foundations have to borrow in the commercial capital market on poor terms. To improve this, the Housing Act BES allows housing foundations in the Caribbean Netherlands to submit an application to be admitted to the system of admitted institutions. As an admitted institution, a housing foundation can (provided the conditions are met) participate in the Social Housing Guarantee Fund. This would give the admitted institution access to secured loans with a lower interest rate and other improved conditions. Secured lending means that a fund (SHGF) guarantees repayment of the loan if the admitted institution can no longer do so. Thus, more social housing can be built. More can also be invested in the maintenance of the houses and the liveability of the neighbourhoods.

## **To whom will this apply**

The Housing Act BES establishes the legal conditions for admitted institutions in the Caribbean Netherlands. It also adds a number of tasks to the Public Entity where the admitted institution operates. Housing foundations that are not admitted institutions are not required to comply with the rules and conditions laid down in this Act. However, these rules and conditions do provide a framework for further professionalisation of the social housing sector. The housing foundations and Public Entities can choose to work towards meeting the rules and conditions as much as possible.

## **Content of the Act**

This Bill contains:

1. Conditions for admission to the system
2. Legal form and organisation of the admitted institution
3. Activities of the admitted institution
4. Consultation (role of the tenants' representation)
5. Guarantee provision and financial security
6. Supervision and administration

The Bill describes what a housing foundation must meet before it can become an admitted institution. There are also rules on what the admitted institution can and cannot do. For example, an admitted institution cannot only build, let out and manage social housing but also invest in the liveability of a neighbourhood. For example, an admitted institution cannot let out holiday homes or invest in large commercial projects. The Housing Corporations Authority is an organisation that supervises the admitted institution in order to ensure that the admitted institution is acting in the interests of public housing. The rules and conditions around the provision of security and financial security are designed to enable the secured loans.