



Ginnie Mae **U.S.-LATIN AMERICA** **INVESTOR ROUNDTABLE** Summit Series

Housing Finance in a
Social Impact and
Sustainability Framework

March 14th, 2024
8:30 AM — 4 PM

U.S. Department of Housing
and Urban Development
Brooke-Mondale Auditorium
Washington, D.C.



With support from the Inter-American Development Bank

Table of Contents

WELCOME MESSAGE..... 1

KNOW BEFORE YOU GO 3

AGENDA..... 5

SPEAKERS AND PANELISTS..... 9

LATIN AMERICA OUTLOOK 27

NOTES 37



WELCOME MESSAGE



VALUED PARTNERS AND HONORED GUESTS,

Welcome to the inaugural *Ginnie Mae U.S.-Latin America Investors Roundtable - Housing Finance in a Social Impact and Sustainability Framework* in Washington D.C., held in partnership with the Inter-American Development Bank (IDB).

Affordable housing remains a top challenge throughout the Americas. We are pleased to convene global leaders to discuss the financial, social, environmental, and regulatory challenges across the housing sector, while also forming solutions for more affordable and environmentally friendly housing and finance options.

By bringing together participants from across the Western Hemisphere and around the world, and from the public and private sectors, we can conduct a productive ongoing dialogue on innovative housing finance solutions that will spur new ideas and collaborations. Ginnie Mae and the U.S. Department of Housing and Urban Development value this partnership with the IDB and all the organizations represented in this forum as we collectively pursue avenues to increase the affordable housing supply and help more households access safe and affordable rental and homeownership opportunities.



Alanna McCargo

President, *Ginnie Mae*



KNOW BEFORE YOU GO

Thursday, March 14, 2024

Event Times:	8:30 AM – 4 PM EST <ul style="list-style-type: none"> • Check-in begins at 8:00 AM. <i>Please check in early, so we can start on time.</i> • Roundtable begins at 8:30 AM.
Address:	U.S. Department of Housing and Urban Development Brooke-Mondale Auditorium 451 7th Street SW, Washington, D.C. 20410
Room Location:	Brooke-Mondale Auditorium Suites A and B
Building Access Information:	<p>If you are a U.S. citizen, please bring a government-issued photo ID and check in at the front desk in the building lobby. If you are not a U.S. citizen, please bring a current passport to check in.</p> <p>Due to the expected number of attendees, please use both the north and south entrances.</p>
	
Dress Code:	Business attire. Masks are optional but recommended.
Transportation:	Metro Station - L'Enfant Plaza If coming from the L'Enfant Plaza Metro Station, exit the station from the L'Enfant Plaza exit and cross L'Enfant Plaza to HUD's south entrance, which is around the building under the American flag.
Parking:	http://tinyurl.com/5n8jkshw
Key Contact Information:	Luke Villalobos (202-394-7776) Edgar Braham-Herrera (202-532-3350) Sandy Picard (202-705-7723)
Livestream (if unable to attend in-person):	https://www.zoomgov.com/j/1616994726?pwd=VVgySHpNZONmamJnTkFBY0ds aExhQT09
Wifi Information:	HUD-Guest (Network) [Additional details will be provided after connecting.]
Additional Information:	This event is Bilingual Hybrid (Spanish and Portuguese)

If for any reason you cannot make it, please let us know for logistics purposes. We will see you at our next summit.



AGENDA

Thursday, March 14, 2024

8 AM - 8:30 AM **Registration and Breakfast/Coffee**

8:30 AM - 9 AM **Welcome**

Alven Lam, *Managing Director of International Markets, Ginnie Mae (USA)*
Tatiana Gallego, *Chief of the Housing and Urban Development Division, Inter-American Development Bank (USA)*

Opening Remarks

Alanna McCargo, *President, Ginnie Mae (USA)*
Juan Pablo Bonilla, *Manager of the Climate Change and Sustainable Development Sector, Inter-American Development Bank (USA)*

9 AM - 10:15 AM

Panel 1: Expansion of Housing Finance Availability Through the Use of Portfolio Lending or Capital Markets Funding

- How do portfolio lending or capital markets funding support expansion of housing finance availability for underserved populations?
- How does portfolio lending support social impact and sustainable lending?

Moderator: Greg Young, *Director of Counterparty Risk Management, Ginnie Mae (USA)*

Panelists: Ankur Mehta, *Head of Securitized Products Research, Citigroup (USA)*
Filipe F. Pontual, *Managing Director, Brazilian Association of Real Estate Loans and Savings Companies (Brazil)*
Michael Fratantoni, *Chief Economist & Senior Vice President of Research and Industry Technology, Mortgage Bankers Association (USA)*
Steven Abrahams, *Senior Managing Director, Santander (USA)*
Juan Pablo Córdoba Garcés, *CEO, Nuam Exchange (Colombia)*
Joan Oriol Prats Cabrera, *Principal Financial Specialist in the Capital Markets Finance Institutions Division of the Inter-American Development Bank (USA)*
José-Oriol Bosch, *CEO, Mexican Stock Exchange (Mexico)*

10:15 AM - 10:45 AM **Coffee Break**

Thursday, March 14, 2024

10:45 PM – 12 PM

Panel 2: Government’s Role in Promoting Social and Sustainable Lending

What tools do federal and regional governmental entities have available to promote social impact and sustainability?

Moderator: María Paloma Silva de Anzorena, *Lead Sector Specialist, Housing Policy and Financing, Inter-American Development Bank (USA)*

Panelists: Michelle Sol, *Minister of Housing and Urban Development (El Salvador)*
Julia Gordon, *FHA Commissioner, U.S. Department of Housing and Urban Development (USA)*

Carlos Martínez Velázquez, *CEO, Infonavit (Mexico)*

John Getchis, *SVP Capital Market, Ginnie Mae (USA)*

Francisco Antonio Carbajal Zavaleta, *President of the Board, Fondo Mivivienda (Peru)*

Daniel Sigelmann, *Director of Planning and Policy, Ministry of Cities (Brazil)*

Carol Garza Alvarez de Martínez, *General Manager, FHA Guatemala (Guatemala)*

12 PM – 1:15 PM

Lunch Break

1:15 PM – 2:30 PM

Panel 3: Innovation in Housing Finance

What are the tech innovations, new housing finance products, and investor preferences driving transformation in housing finance? What is the role of private capital? (ESG finance, reverse mortgages, etc.)

Moderator: Alven Lam, *Managing Director of International Markets, Ginnie Mae (USA)*

Panelists: Sam Valverde, *Principal Executive Vice President, Ginnie Mae (USA)*

Niraj Patel, *Chief Information Officer, Greystone (USA)*

Steve Irwin, *President, National Reverse Mortgage Lenders Association (USA)*

Luis Peyser, *Partner, i2a Advogados (Brazil)*

Guillermo Zamarripa Escamilla, *Executive President, AMAFORE (Mexico)*

Nick Sapirie, *Vice President of Single-Family Capital Markets Fannie Mae (USA)*

2:30 PM – 2:45 PM

Last Break

Thursday, March 14, 2024

2:45 PM – 4 PM

Panel 4: Sustainable Housing and Climate Risk

What are modern methods and tools for assessing the impact of climate change on housing quality and availability and social investments on affordability?

Moderator: Rodrigo Navas, *Director of Manufacturing, IDB Invest (USA)*

Panelists: Alexis Pelosi, *Senior Advisor for Climate, Office of Secretary, U.S. Department of Housing and Urban Development (USA)*

Domingo Valdés, *Chief Financial Officer and Board Member, Vinte (Mexico)*

Camilo Albán, *Vice President for Construction and Mortgage Banking, Banco Davivienda (Colombia)*

Jamie Woodwell, *Vice President, Research and Economics Group, Mortgage Bankers Association (USA)*

Mingchao Chen, *Head of Enterprise Modeling Division, Ginnie Mae (USA)*

Ram Khamma, *Director, PwC (USA)*

4 PM – 4:15 PM

Closing Remarks

María Paloma Silva de Anzorena, *Sector Lead Specialist – Housing Policy and Finance, Inter-American Development Bank (USA)*

Alven Lam, *Managing Director of International Markets, Ginnie Mae (USA)*

4:30 PM – 6 PM

Reception

Hilton National Mall - The Wharf at L'Enfant Plaza



SPEAKERS AND PANELISTS

Welcome and Opening Remarks



Alanna McCargo
President, *Ginnie Mae*
Speaker, In-Person

Alanna McCargo became Ginnie Mae's 18th President in December 2021. Her career in housing finance spans decades and focuses on equitably and affordably serving all American households.

Before Ginnie Mae, Ms. McCargo was the Urban Institute Housing Finance Policy Center's Vice President and J.P. Morgan Chase's Vice President of Home Lending, among other leadership roles. Additionally, she worked for Fannie Mae from 2002 to 2012, collaborating with the U.S. Treasury at the height of the Great Recession.

Ms. McCargo served on nonprofit boards, including Doorways for Women and Families and the Women in Housing and Finance foundation. She advised the Aspen Institute's Expanding Prosperity Impact Collaborative (EPIC) for housing and Habitat for Humanity of Washington, D.C. Ms. McCargo has a BA from the University of Houston and an MBA from the University of Maryland.



Juan Pablo Bonilla
Manger of the Climate Change and Sustainable Development Sector, *Inter-American Development Bank*
Speaker, In-Person

Juan Pablo Bonilla is the Manager of the Inter-American Development Bank's Climate Change and Sustainable Development Sector (CSD). Previously, he served as Chief of Staff to the Executive Vice President of the IDB. Dr. Bonilla has worked on environmental sustainability, climate change, and energy for more than 20 years, leading the IDB's Sustainable Energy and Climate Change Initiative, a major strategic step for integrating climate change and sustainability as a priority for the Bank. Before joining the IDB, he worked as Senior Specialist at the World Bank, and was a member of the United Nation's CDM Executive Board. In Colombia, after serving as the Executive Director of a new think tank, Fundesarrollo, and as National Environmental Manager of ANDI, Dr. Bonilla launched new initiatives such as the National Climate Change Policy and the National Biotechnology Policy as principal advisor to the country's Vice President. Dr. Bonilla served as Deputy Minister of Environment and acting Minister of Environment, Housing and Territorial Development. Dr. Bonilla obtained a B.A. in Civil Engineering from the Universidad Javeriana in Bogotá, Colombia, a M.Sc. in Engineering, Management and Systems Engineering, and a Ph.D. in Environmental and Energy Management from George Washington University.



Tatiana Gallego Lizón
Chief of the Housing and Urban
Development Division, *Inter-American
Development Bank*
Speaker, In-Person

Tatiana Gallego Lizón is the Head of the Housing and Urban Development Division (HUD) of the Climate Change and Sustainable Development Sector (CSD) at the Inter-American Development Bank (IDB). She previously served as the Director of the Urban Development and Water Division of the Southeast Asia Department at the Asian Development Bank. Tatiana has also led business development and the identification, formulation, processing, and implementation of urban loans and non-credit assistance to various Asian countries. During her experience, she was in charge of conceptualizing and developing competitive cities, clustered city development, metropolitan planning, Public-Private Partnerships and urban infrastructure, climate change resilience in cities, e-governance, and smart cities.

PANEL 1:

Expansion of Housing Finance Availability Through the Use of Portfolio Lending or Capital Markets Funding



Greg Young
Director of Counterparty Risk
Management, *Ginnie Mae*
Moderator, In-Person

As Director of Counterparty Risk Management, **Greg Young** is responsible for initiating counterparty policy changes, approving counterparties, collaborative monitoring of counterparties, formulating mitigants to counterparty risk presented, and developing and enhancing analytical or process tools to improve the effectiveness of counterparty risk management activities.

Mr. Young has 24 years of experience with the Goldman Sachs Group, including as the Chief Risk Officer of the Goldman Sachs Bank USA, Global Head of Credit in Goldman Sachs Group's Investment Management Division, Head of Credit Risk Management in Asia, and Head of Global Hedge Fund Counterparty Risk.



Ankur Mehta

Managing Director, Citi Research and Head of the Residential Mortgage-Backed Securities Research, *Citigroup*

Panelist, In-Person

Ankur Mehta is a Managing Director and the Global Head of Spread Products strategy at Citi Research. He and his team are responsible for formulating views and identifying opportunities across agency mortgage-backed securities (MBS), securitized credit, collateralized loan obligations, and corporate debt. Ankur was the head of agency MBS and securitized products before assuming his current role in 2023, and he continues covering those sectors at Citigroup. Before joining Citigroup in 2013, Ankur was the head of agency MBS research at Nomura and a mortgage strategist at Bank of America prior to that.

Ankur and his team consistently ranked among the top teams on the Institutional Investor fixed-income survey during the past several years. Ankur has a Bachelor of Technology degree from the Indian Institute of Technology Bombay and a Master of Science degree in Mathematics from Purdue University.



Mike Fratantoni

Chief Economist & Senior Vice President, *Research & Industry Technology, Mortgage Bankers Association*

Panelist, In-Person

Michael Fratantoni is MBA's Chief Economist & Senior Vice President of Research and Industry Technology. He oversees MBA's industry surveys and benchmarking studies, economic and mortgage origination forecasts, industry technology efforts, and policy development research for both single-family and commercial-multifamily markets. In addition, Fratantoni is a member of the Board of Directors of MISMO, the membership committee of MERS, and the Smith Enterprise Risk Consortium's (SERC) Advisory Council. Prior to joining MBA, Fratantoni worked in risk management and senior economist roles at Washington Mutual and Fannie Mae.



Steven Abrahams

Senior Managing Director and Head of Investment Strategy, *Santander*

Panelist, In-Person

Steven Abrahams is a Managing Director and Head of Investment Strategy at Santander US Capital Markets (SanCap). His team provides analysis for institutional investors in rates, financing markets, corporate credit, securitized products, and emerging markets. Before joining SanCap, he served as co-founder and CEO of Milepost Capital Management and as a director of MTGE Investment Corp. Through his 33-year career, he has held senior positions at Deutsche Bank, Bear Stearns, and Morgan Stanley. He is the author of “The Bear Stearns Quick Guide to Mortgage-Backed Securities,” *Competitive Advantage in Investing: Building Winning Professional Portfolios*, and Santander’s “A Quick Guide to CLO Debt and Equity.”



Juan Pablo Córdoba Garcés

Chief Executive Officer, *Nuam Exchange*

Panelist, Virtual

Juan Pablo Córdoba Garcés is the CEO of Nuam Exchange. His previous experience includes 18 years as CEO of the Colombian Stock Exchange and working as a Senior Economist at the International Monetary Fund and at the Inter-American Development Bank in Washington, D.C. He also served as Director of the Deposit Insurance Fund for Financial Institutions in Colombia (Fogafín), as Senior Fiscal Advisor and Director of Public Credit of the Ministry of Finance and Public Credit, and as an Economist at the National Planning Department of Colombia.



Filipe F. Pontual

Managing Director, *Brazilian Association of Real Estate Loans and Savings Companies*

Panelist, Virtual

Filipe F. Pontual is the Managing Director of the Brazilian Association of Real Estate Loans and Savings Companies (ABECIP). He has more than 27 years of experience in the financial markets, having developed a career in Brazil and New York in areas such as mergers and acquisitions, corporate and structured finance, international capital markets, and derivatives in large local and international banks. He is a member of the Executive Board of the National Confederation of Financial Institutions (CNF) and of the Superior Council of the Construction Industry—Industry Federation of the São Paulo State (FIESP). Mr. Pontual is also a member of the Workers’ Severance Indemnity Fund (FGTS) Board of Trustees. He holds a degree in Economics from the Pontifical Catholic University of Rio de Janeiro.



José-Oriol Bosch

CEO, *Mexican Stock Exchange*

Panelist, Virtual

José-Oriol Bosch has been the CEO of Grupo Bolsa Mexicana de Valores (BMV Group) since January 1, 2015, which consists of the Mexican Stock Exchange (BMV), the Mexican Derivatives Exchange (MexDer), and the Central Securities Depository of Mexico (Indeval). In addition, the group includes central counterparties for clearing, settlement, and risk management of equity and derivative market transactions (CCV and Asigna, respectively) and an entity dedicated to operational valuation and market benchmarking (Valmer).

Mr. Bosch has more than 35 years of expertise in the financial markets, starting his professional career at Inverlat Casa de Bolsa in 1987 and later at Citibank Mexico. In 1992, he joined J.P. Morgan Chase and Co., where he worked until 2014, taking on various positions in New York and Mexico. He was Managing Director, President and Chief Executive Officer of J.P. Morgan Casa de Bolsa and Deputy Chief Executive Officer of Banco J.P. Morgan. Mr. Bosch was a member of the Board of Directors and the Control Trust of the Mexican Stock Exchange until 2014.



Joan Oriol Prats Cabrera
Principal Financial Specialist in
the Capital Markets Finance
Institutions Division, *Inter-American
Development Bank*
Panelist, In-Person

Joan Oriol Prats Cabrera is the Principal Financial Specialist in the Capital Markets Finance Institutions Division at the Inter-American Development Bank (IDB). He has more than 15 years of experience in capital markets and sovereign risk management. He leads the sovereign guarantee practice, steering the first structures for debt for nature conversions, sovereign social bonds, and blue bonds. He also serves as the Executive Secretary of the LAC Debt Group. Before the IDB, he worked in public administration in Spain. He has a Bachelor of Arts in Economics, a Ph.D. in Political Science from the Autonomous University of Barcelona, and an MBA from ESADE Business School.

PANEL 2: *Government's Role in Promoting Social and Sustainable Lending*



María Paloma Silva de Anzorena
Lead Financial Sector Specialist –
Housing Policy and Finance,
Inter-American Development Bank
Moderator, In-Person

María Paloma Silva de Anzorena is currently an expert in Housing Finance and Urban Development markets in Latin America and the Caribbean, serving at the Inter-American Development Bank (IDB) in Washington, D.C. Formerly, she worked as Minister of Housing in Mexico and as the Deputy General Director of the Federal Mortgage Corporation (Sociedad Hipotecaria Federal, SHF). She specializes in Development Banking, Multilateral Relations, Futures and Pension Funds, Securitizations, and Structured Bonds. She also has extensive expertise in the operations of money, foreign exchange, stock, options, and futures markets. Paloma is a founding partner of IXE Banco and AFORE XXI (a Mexican Pension Fund).



Michelle Sol
Minster of Housing and Urban
Development, *El Salvador*
Panelist, In-Person

Michelle Sol worked for many years as a commercial director in her family business. In her political career, she began her work in public management in 2012 as part of the municipal council of Nuevo Cuscatlán, when the current President of El Salvador, Nayib Bukele, served as mayor of that municipality. During that period, she also served as President of the Center for Entrepreneurship and Job Training. In 2015, she was elected as mayor of that municipality, and from there, she gave continuity to the projects and vision of the Bukele administration. Her successes as a public official led to her election as President of the Council of Mayors of the Department of La Libertad. In 2018, she was re-elected mayor of Nuevo Cuscatlán, a position she actively served until 2019 when President Nayib Bukele announced the creation of the Ministry of Housing and was sworn in as its head.

As part of her current functions, she serves as a member of the Board of Governors of the Social Fund for Housing (FSV) and President of the National Fund for Popular Housing (FONAVIPO). She is also part of the Board of Directors of the Institute for the Legalization of Property (ILP). These institutions make up the Housing System.



Julia Gordon
Federal Housing Authority
Commissioner, *U.S. Department of
Housing and Urban Development*
Panelist, In-Person

Julia Gordon serves as the Assistant Secretary for Housing and Federal Housing Commissioner at the U.S. Department of Housing and Urban Development (HUD). Confirmed by the U.S. Senate on May 12, 2022, Ms. Gordon is responsible for the Federal Housing Administration's Single Family, Multifamily and Healthcare mortgage insurance programs, HUD's Multifamily assisted housing portfolio, HUD's housing counseling program, and HUD's Manufactured Housing program.

Throughout her career, Ms. Gordon has been both a strong advocate for and hands-on practitioner working to achieve equal justice, fairness and equity in housing, and consumer protections. Prior to joining HUD, Ms. Gordon was most recently the President of the National Community Stabilization Trust and has also held leadership roles at the Center for American Progress, the Federal Housing Finance Agency and the Center for Responsible Lending.



Carlos Martínez Velázquez
Chief Executive Officer, *Infonavit*
Panelist, In-Person

Carlos Martínez Velázquez holds a degree in Political Science and completed postgraduate studies in Economics at Mexico's Autonomous Institute of Technology. He also specialized in Energy and Environmental Policy and Management at the Latin American Faculty of Social Sciences. He is a specialist in political economy, with a social and human rights protection focus. He has been a public official since 2008, holding various positions in federal public administration. He is also a frequent collaborative commentator in the media and an expert in academic publications on economics and human rights. He is currently the Director General of the Institute of the National Housing Fund for Workers (Infonavit).



John Getchis
Senior Vice President of Capital Markets, *Ginnie Mae*
Panelist, In-Person

John Getchis joined Ginnie Mae as the Senior Vice President of the Office of Capital Markets in July 2012. He brings 37 years of experience from financial institutions focusing on mortgage-backed securities and capital markets.

Before joining Ginnie Mae, Mr. Getchis's roles included Ally Securities' Chief Operating Officer and Director of Banking & Structured Transactions and Merrill Lynch's Asset-Backed Securities Group director. He began his career as an accountant at Freddie Mac.

Mr. Getchis earned his Bachelor of Science degree from the University of Maryland, Robert H. Smith School of Business, and his MBA in Finance from George Washington University, School of Business; he also holds several securities licenses.



Francisco Antonio Carbajal Zavaleta

President of the Board of Directors,
Fondo Mivivienda

Panelist, In-Person

Francisco Antonio Carbajal Zavaleta serves as President of the Board of Directors of Fondo Mivivienda, a public company in charge of financing credits and subsidies for the construction of housing aimed at lower-income families. He has been a member of the Board of Directors of Caja Metropolitana de Lima and the Board of Directors of the Metropolitan Planning Institute. He has extensive experience in different public sector entities such as the Ministry of Housing, Construction and Sanitation; the Ministry of Economy and Finance; the Comptroller General of the Republic; and the Metropolitan Municipality of Lima, among others, with a strong emphasis on Strategic Planning. He has also worked in the private sector, participating in multifamily and single-family housing projects. Regarding his academic background, he is a Civil Engineer and holds a master's in Administration, with Doctorate studies in Business Administration.



Daniel Sigelmann

Director of Planning and Policy,
Ministry of Cities

Panelist, In-Person

Daniel Sigelmann has been a Policy and Management Expert since 1997. He is currently serving at the National Housing Secretariat, overseeing Planning and Housing Policy. He formerly held the position of Vice Minister of Brazilian Chief of Staff. Daniel mostly works with fiscal policy, public investment, and infrastructure. He also has experience in project financing and banking and serving on the boards of two large public banks—Banco do Brasil and the National Development Bank. As a member of the Brazilian Growth Program Committee, Daniel supervised infrastructure programs and projects, including the My House, My Life housing program. He helped structure financial instruments designed to improve housing provision and affordability.

In his current position, Daniel is in charge of monitoring and proposing new financial solutions for improving housing markets, with particular attention to social housing.



Carol Garza Alvarez de Martínez
General Manager, *FHA Guatemala*
Panelist, Virtual

Carol Garza Alvarez de Martínez is an executive with 27 years of experience in Real Estate Development. She worked for eight years at a housing development company, managing loans for homebuyers and formalizing and administering trusts. Subsequently, she worked in the banking system for 13 years, in charge of the business unit of mortgage loans and with Mortgage Insurance guarantee. Currently, since August 2018, she has been the Manager of the Instituto de Fomento de Hipotecas Aseguradas (FHA), a decentralized entity of the Government of Guatemala that has been operating in the mortgage market for 62 years. In her banking career, she participated in the National Housing Council (CONAVI) and on FHA's Board of Directors, representing the Guatemalan Banking Association (ABG). Currently, she is a member of the Board of Directors of the Inter-American Housing Union (UNIAPRAVI).

PANEL 3: *Innovation in Housing Finance*



Alven Lam
Managing Director of International
Markets, *Ginnie Mae*
Speaker and Moderator, In-Person

Alven Lam has more than 20 years of international capital markets experience. Alven joined Ginnie Mae as Managing Director for International Markets, where he is responsible for global investor outreach and educating leaders from central banks and institutional investors on the role Ginnie Mae mortgage-backed securities has in the U.S. housing finance system. Before Ginnie Mae, Alven worked at HUD's Office of International and Philanthropic Innovation. During his tenure, he has conducted bilateral and multilateral collaboration programs in Asia, Europe, the Middle East, Africa, and Latin America.



Sam Valverde
Principal Executive Vice President,
Ginnie Mae
Panelist, In-Person

Sam Valverde began his tenure at Ginnie Mae in March 2022 as the Executive Vice President and Chief Operating Officer. In January 2023, he was appointed the Principal Executive Vice President. Mr. Valverde brings more than 15 years of housing finance, policy, and legal experience to Ginnie Mae.

Prior to joining Ginnie Mae, Mr. Valverde held the following positions: Supervisory Attorney Advisor at the Federal Housing Finance Agency (FHFA), Counselor for Domestic Finance at the U.S. Department of the Treasury, and securities lawyer at Davis Polk & Wardell LLP.

Mr. Valverde received his J.D. from Yale Law School and an A.B. from Dartmouth College. He resides in the District with his wife and children.



Niraj Patel
Chief Information Officer, *Greystone*
Panelist, In-Person

Niraj Patel is an accomplished business executive with Board of Directors and C-level experience in global roles, ranging from startups to Fortune 500 companies. Mr. Patel is a well-recognized transformative technologist and a seasoned leader in data analytics, machine learning, artificial intelligence, cloud services, Cyber Security Operations, and Internet of Things (IoT). He has both corporate and startup experience in technology, operations, business ecosystems, and internal and external innovations. He has a proven ability to leverage emerging technology. Mr. Patel's previous roles include Chief Strategy Officer, Chief Information Officer, Board Member, Adjunct Professor, co-founder, Diversity & Inclusion Champion, and President. He also has experience with private equity and venture-backed companies.



Steve Irwin

President, *National Reverse Mortgage Lenders Association*

Panelist, In-Person

Steve Irwin oversees the National Reverse Mortgage Association’s initiatives to serve as an educational resource, policy advocate, and public affairs center for consumers, lenders, and related professionals. His background includes strategic planning, organizational design, portfolio acquisition, risk management, and quality control. He received his Bachelor of Arts from Grinnell College and MBA from the University of San Francisco.



Luis Peyser

Partner, *i2a Advogados*

Panelist, Virtual

Luis Peyser is a founding partner at i2a Advogados. He has been involved for more than 20 years in financial, investment, capital markets, urban and rural property acquisitions, and transactions for national and foreign investors. He is responsible for directly advising main investors and financiers of property acquisitions in Brazil, including participating in investment projects, purchases, and financing rural and urban properties with an aggregate value above \$20 billion. He is a founding partner and was the Executive Director of the Brazilian Institute of Business Law (IBRADEMP) until 2010 and the Co-Chair of the Real Estate and Alternative Investments Committee (2020-21). Coordinator and co-author of books and legal technical articles, Mr. Peyser was an assistant professor of Commercial Law at PUC-SP and a foreign associate at Debevoise & Plimpton LLP in New York.



Guillermo Zamarripa Escamilla

Executive President, *Mexican Association of Retirement Fund Administrators (AMAFORE)*

Panelist, In-Person

Guillermo Zamarripa Escamilla currently holds the post of Executive President at AMAFORE. He is also a professor at Mexico's Autonomous Institute of Technology (ITAM), a columnist at *Excelsior* newspaper, a commentator on the television station ADN 40, and an independent member of the boards of several companies. From 2011 to 2022, he was the Director General of the Financial Studies Foundation (FUNDEF). Between 2005 and 2010, he was the Director of the Banking, Securities and Savings Unit at the Mexican Ministry of Finance and Public Credit (SHCP). Within the public sector, he has also held other posts, including Vice Chair of the Financial Institutions Oversight Committee at the National Banking and Securities. He has an MBA from the University of Chicago and bachelor's degrees in Economics and Accountancy from ITAM. He has published articles in academic journals and books, including "Endeudándose en la Tarjeta de Crédito Incorrecta: Evidencia sobre el caso de México (Getting into Debt with the Wrong Credit Card: Evidence from the Mexican Case Study)" in the *American Economic Review* and "Créditos Relacionados (Appropriations)" in the *Quarterly Journal of Economics*.



Nick Sapirie

Vice President of Single-Family Capital Markets, *Fannie Mae*

Panelist, In-Person

Nick Sapirie is the Vice President of Single-Family Capital Markets. He manages Fannie Mae's Single-Family Conduit, which provides liquidity to lenders and the broader capital markets through whole loan and mortgage-backed security purchases. The Conduit includes Fannie Mae's Early Funding platform, which allows approved lenders to sell loans and pools to Fannie Mae on an accelerated basis. Additionally, Nick manages Investor Engagement and Advocacy, supporting market participant needs for insights into Fannie Mae programs and policies and promoting investor perspectives to Fannie Mae management. Previously, Nick served as Vice President of Capital Markets Analytics, providing data-driven insights in support of Single-Family credit guaranty profitability, pricing, and risk transfer optimization.

PANEL 4: *Sustainable Housing and Climate Risk*



Rodrigo Navas
Director of Manufacturing,
IDB Invest
Moderator, In-Person

Rodrigo Navas leads the Manufacturing team at IDB Invest. He is responsible for the development of strategies, business plans, client management, and transaction structuring for the manufacturing sector in Latin America and the Caribbean. He has more than 15 years of experience with the IDB Group, where he has led multiple operations in most of the countries in the region and in various economic sectors. Before joining the IDB Group, Rodrigo developed a professional career in international finance for more than 20 years in financial institutions in the local, regional, and global banking sectors. His experience includes developing loan operations and capital markets.



Alexis Pelosi
Senior Advisor for Climate,
*U.S. Department of Housing and
Urban Development*
Panelist, In-Person

Alexis Pelosi is the Senior Advisor for Climate in the Office of Secretary at the U.S. Department of Housing and Urban Development (HUD). In her role, she oversees HUD's climate portfolio, including implementation of HUD's Climate Action Plan, an agency-wide strategy to advance climate adaptation and resilience, reduce greenhouse gas emissions, and deliver environmental justice. Since the passage of the Inflation Reduction Act, Alexis has spearheaded HUD's efforts to work with its interagency partners to ensure those historic investments reach and benefit HUD program participants, communities and residents.

Before joining the Biden-Harris Administration in January 2022, Alexis spent 25 years in law and public policy focused on land use and the environment. She assisted private and nonprofit developers and public agencies comply with various zoning and environmental land use regulations and consider the impact of a project on the environment, identifying measures to mitigate or address project impacts.

Alexis has a Bachelor of Science from the University of California at Davis, a Master in Environmental Science from The Johns Hopkins University and Juris Doctorate from the University of California Berkeley School of Law.



Domingo Valdés
Chief Financial Officer and Board
Member, *Vinte*
Panelist, Virtual

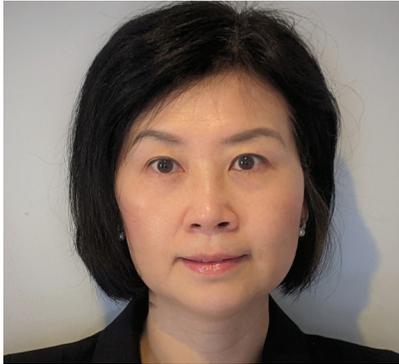
Domingo Valdés is the Chief Financial Officer and Board Member of Vinte, a publicly traded Mexican land developer and home builder, with a sustainability and innovative property technology, or proptech, focus. During the past 17 years as CFO, Vinte has built a strategic and competitive funding base focused on a long-term capital structure, with financing ranging from strong global financial institutions such as the International Finance Corporation, IDB Invest, KfW/DEG, Proparco, and IFU to debt and equity issuances in the capital markets. Vinte has issued five Green and Social Bonds, making it the first home builder to issue Green and Social-labeled bonds in the public markets in Latin America.



Camilo Albán
Vice President of Construction and
Mortgage Banking, *Banco Davivienda*
Panelist, In-Person

Camilo Albán is an Economist from the University of the Andes. He started his career in the Bolivar Group as President of Corredor y Albán when Davivienda acquired the company in 1998. Later, he served as Corporate Business Vice President of the bank. At present, he occupies the position of Builders and Mortgage Banking Vice President at Banco Davivienda.

He is a member of the boards of Fiduciaria Davivienda, Clínica de Marly, Davivienda Corredores, Aseguradora El Libertador, Camacol (Colombian Chamber of Construction), and the Sector Board of Asobancaria (Colombian Banking Association).



Mingchao Chen
Director, Head of Enterprise Modeling
Division, *Ginnie Mae*
Panelist, In-Person

Mingchao Chen is the Head of Ginnie Mae's Enterprise Modeling Division. She provides strategic directions and oversight on a broad range of research and development activities. These innovative research and modeling activities are essential to support Ginnie Mae's risk management and policy initiatives. Since 2021, Ms. Chen has been championing Ginnie Mae's climate risk capabilities development, with the goal of integrating climate-related financial risk into enterprise risk management practices.

Previously, Ms. Chen had spent 15 years in the private sector, including as Director of Balance Sheet Management at Capital One and Director of Counterparty Risk Management and Principal Economist at Fannie Mae. She has an MBA from the University of Maryland and a master's degree in economics from Zhongshan University. She is a Chartered Financial Analyst (CFA®) Charter holder and has Fintech Specialization and Machine Learning certifications.



Jamie Woodwell
Vice President, *Research and Economics Group, Mortgage Bankers Association*
Panelist, In-Person

Jamie Woodwell is the Head of Commercial Real Estate Research at the Mortgage Bankers Association (MBA). He oversees research on the commercial and multifamily real estate markets. Mr. Woodwell joined MBA in 2004 from Fannie Mae's multifamily group, where he was responsible for multifamily data initiatives. He also served as the Senior Director of Business Development at CapitalThinking, Research Director at the WMF Group, and Research Manager at the National League of Cities. Jamie has served on various advisory groups, particularly around climate change and environmental, social, and corporate governance, including for the National Institute of Building Sciences, Fannie Mae, Bright Power, New York University, and New York City.



Ram Khamma is a Director at PwC, where he leads data-driven strategies for decarbonization and energy transition for large real estate portfolios. With more than 10 years of experience in the energy and sustainability field, he is passionate about mitigating climate risks and achieving sustainability goals through scalable energy programs and technology. Mr. Khamma has expertise in developing data-driven strategies and technology solutions to support resilience, decarbonization, and operational efficiency in real estate. He holds a Ph.D. in Architecture (Technology), an M.S. in Statistics, and a Masters in Architecture from the University of Illinois at Urbana-Champaign.

Ram Khamma
Director, PwC
Panelist, In-Person





LATIN AMERICA OUTLOOK

Disclaimer: The following views are those of Moody's Analytics and do not represent those of Ginnie Mae, the U.S. Department of Housing and Urban Development, or the United States Government.

MOODY'S ANALYTICS

Latin America Outlook: Peering Through the Kaleidoscope

Jesse Rogers

- The outlook for Latin America's major economies is bifurcated.
- Mexico, Brazil and Central America will slow only modestly in 2024.
- The Andean region continues to face steep challenges.
- Argentina will grapple with a painful recession.
- Elevated informality, political paralysis, and a skills gap are barriers to faster growth.

The outlook for Latin America is akin to peering through a kaleidoscope. On first glance, the region's economies seem to be moving in a similar direction, with modest growth in 2024 in almost every major economy save Argentina. But gaze more closely, and there are several contrasting shapes and stories.

As a whole, the region turned in a surprisingly strong performance in 2023, growing slightly faster

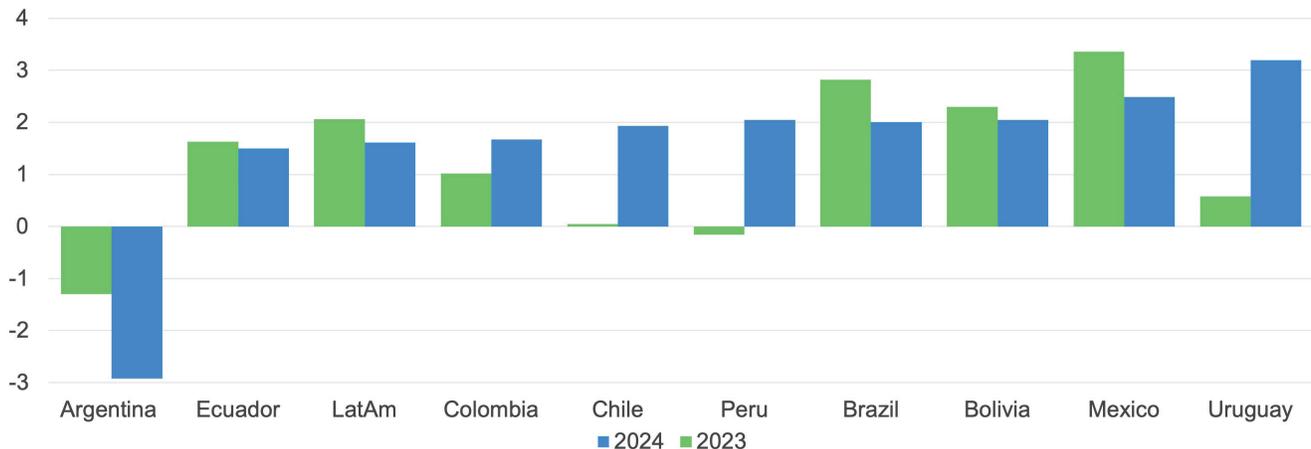
than its potential against the backdrop of a racing U.S. economy and an underwhelming recovery in China. But this was almost entirely the result of breakout performances by Mexico and Brazil. Most of the rest of the region closed out the year in recession or somewhere close to it.

This divergence is poised for a repeat. Mexico and Brazil will not grow quite as fast as they did last year, but over the coming year and into 2025 they will outdo every major Latin American economy save Uruguay. The Andean region, which struggled last year and saw Chile and Peru close out the year in recession, will embark on what will be a rather meager recovery. (Figure 1)

Argentina's economy will nudge further into recession amid post-presidential election shock therapy. We have penciled in a tentative recovery in the second half of the year, but of all the major economies we forecast, Argentina is where we

Figure 1: LatAm Outlook: Major Economies

Real GDP, % change, Feb baseline outlook



Sources: National statistics agencies and central banks, Moody's Analytics

worry most that our rather optimistic call could go wrong. For a change, there are green shoots in Venezuela amid U.S. sanctions relief and inflation that is still high but down by a factor of more than 1,000 from its peak in 2019. But context matters: Even with growth this year, the Venezuelan economy will remain some two-thirds smaller than its peak last decade.

Three big themes

Three big themes frame the outlook for Latin America this year. These are trade, policy and politics. The first two are key to understanding why Mexico and Brazil did so well last year and are poised to grow once again. Problems in the political arena help explain why these economies will only go so far.

Trade

Mexico and Brazil have performed so well because the rejiggering of global supply chains has favored what they do best. In Mexico, this is manufacturing for export to the U.S. In Brazil, this is the full market basket of commodities.

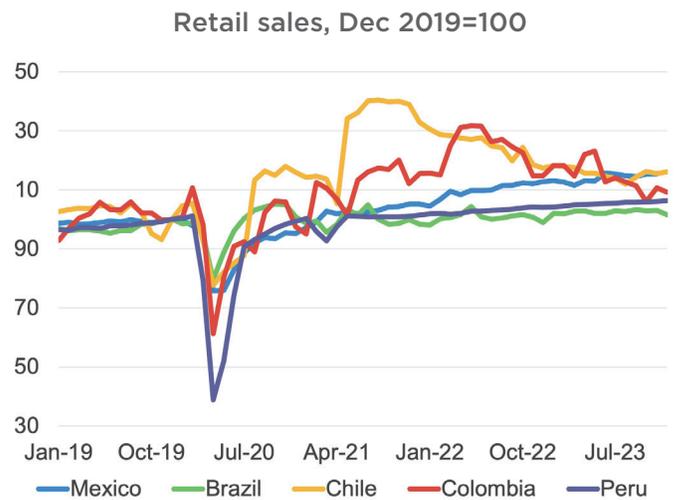
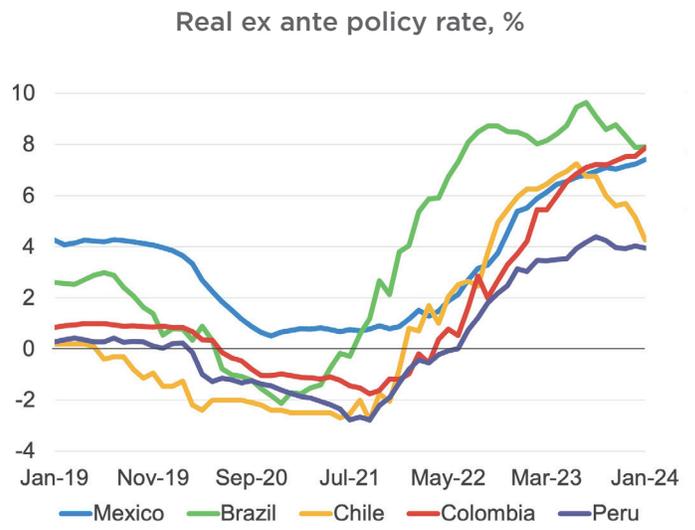
These trade winds blow less briskly through the Andes. Andean economies reliant on a single commodity—think copper in Chile and Peru, crude oil in Colombia and Ecuador, and natural gas in Bolivia—have been dealt a less favorable hand. They are neither feeding the world, fueling the world, nor assembling its wares. The green transition could fundamentally change the game for copper producers Peru and Chile, the latter of which holds the world’s largest lithium reserves and is currently the world’s second-largest producer. But it would have to unfold exponentially faster than our most optimistic expectations.

Policy

The conduct of monetary policy in most of Latin America’s major economies is a major plus for the outlook even if it will not on its own be an equalizer. The region’s five largest economies,

excluding Argentina, boast battle-hardened central banks. These raised interest rates early and often as post-pandemic supply-chain problems and later Russia’s war in Ukraine drove a global inflationary burst. With inflation in most economies at or in striking distance of central bank targets, bank directors have been able to lower rates without triggering capital flight. (Figure 2)

Figure 2: Positive Real Rates, LatAm Consumers Grate



Sources: National statistics agencies and central banks, Moody’s Analytics

Disclaimer: The following views are those of Moody’s Analytics and do not represent those of Ginnie Mae, the U.S. Department of Housing and Urban Development, or the United States Government.

The consequence has been high real interest rates, which have pumped the brakes on consumption. Consumer spending has slowed sharply in most major economies after a post-pandemic splurge. Exceptions are Mexico, where record remittances are offsetting higher borrowing costs, and Brazil, where a sharp reduction in inflation is helping to restore purchasing power. While we expect central banks in Brazil, Chile, Colombia and Peru to continue to lower rates and for Mexico's central bank to begin to do so, relief for consumers will first come in the form of lower inflation given banks' abundance of caution.

There is less to say on the fiscal front, where aside from Argentina we do not have major concerns. Discipline in Mexico and Brazil has been challenged by election-year spending sprees, but even these have been modest compared with prior campaigns, and greater spending this year in Mexico and last year in Brazil followed several consecutive years of fiscal prudence. In the Andes, high commodity prices helped close fiscal gaps in 2022 and the first few months of 2023. The gap between revenues and expenditures in most Andean economies is widening again but remains on the small side. The exception is Colombia, where persistent overspending has led to a structural current account deficit and greater volatility in the peso.

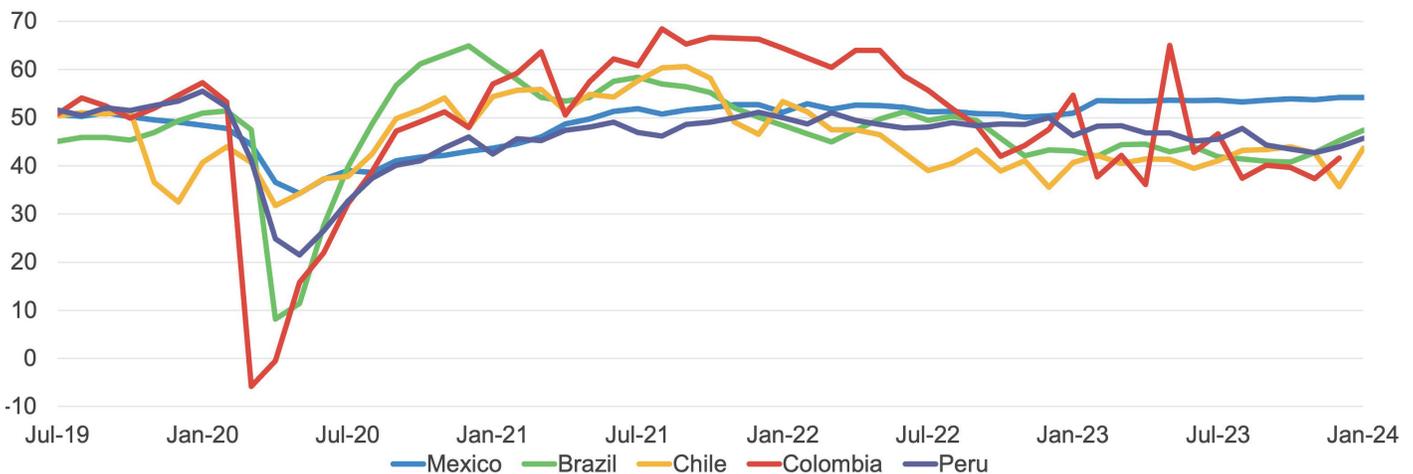
Politics

Latin America's fractured politics place an upper bound on how well the region can do. Even in Mexico, where President Andrés Manuel López Obrador's party holds a large polling lead ahead of June presidential elections, partisan fissures are deep and there is little will among the country's diverse political camps to compromise. This prevents the kinds of big things needed to achieve growth rates more in line with emerging Asian economies, from asserting a more active role for industrial policy to the kinds of reforms needed to bring down informality and broaden the tax base.

That there is little appetite for compromise in Mexico, where the economy is doing quite well, should be cause for caution. Partisan fissures run even deeper in South America. In Chile, successive campaigns to re-write the country's dictatorship-era constitution have swung either too far left or too far right, dooming chances for approval in a general referendum. This has left President Gabriel Boric without a mandate to pursue the kinds of inclusive social policies Chileans across the political spectrum have embraced. (Figure 3)

Figure 3: Political Fissures Reflected in Sentiment

Business confidence, Latin America >50 is optimistic



Sources: INEGI, FGV, BcCH, Fedesarollo, INEI, Moody's Analytics

The Peruvian economy has long outrun political crises, with successive impeachments doing little to knock the broader economy off course. But in the end of 2022, the removal of former president Pedro Castillo, who had attempted to close congress and rule by decree, set the country’s urban elites and rural provinces on a collision course. Lingering fears of social unrest have hampered business confidence and weighed on investment, preventing the world’s second-largest copper producer from capitalizing on a global shortage of the red metal.

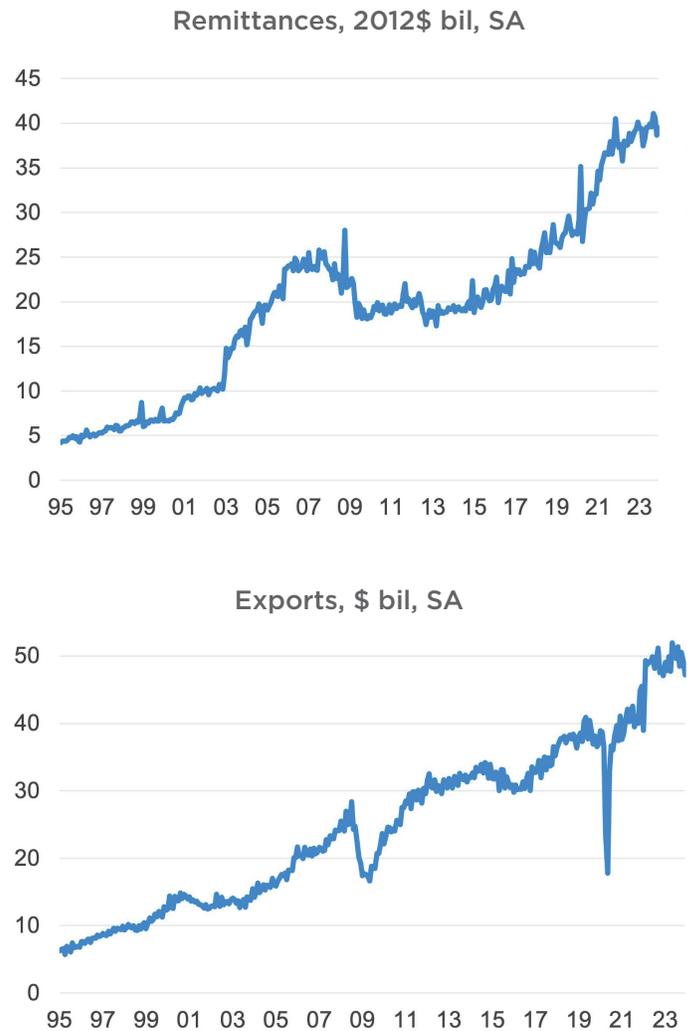
In Colombia, corruption investigations surrounding President Gustavo Petro have knocked the leftist leader’s reform agenda off course. This has not been entirely a bad thing considering radical proposals to limit investment in hydrocarbons and labor reforms that would likely increase the size of the informal economy. But other aspects of the reform agenda, including plans for more ambitious social programs and plans to reduce the economy’s reliance on shrinking oil reserves, have gone by the wayside.

Partisan fissures are also a barrier to growth in Brazil. Widely celebrated growth of nearly 3% last year is far better than the country’s recent history but not enough to meaningfully improve living standards. More than one year after the storming of Brazil’s congress, supreme court, and presidential compound by supporters of former president Jair Bolsonaro, the political landscape remains bitterly divided and there is little room for the kinds of pro-growth reforms that require a fresh mindset and willingness to compromise.

Mexico and Brazil

Mexico closed out 2023 having grown at one of the fastest paces in three decades, and while the economy will slow this year, it will still lead most others in the region. The hard-charging U.S. expansion explains much of Mexico’s outperformance, with exports to the U.S. and remittances reaching an all-time high. Remittances, which add an extra 15% to the median household’s income, continue to chase new highs in inflation-adjusted terms, with the red-hot labor market in the U.S. enabling Mexico’s diaspora to do more. (Figure 4)

Figure 4: Remittances, Exports Driving Mexico’s Outperformance



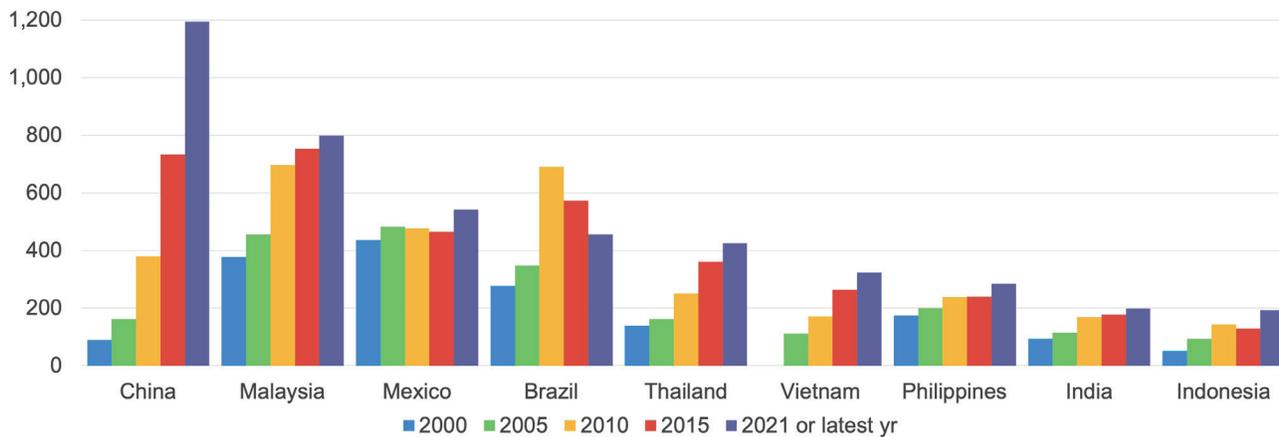
Sources: Banxico, INEGI, BLS, Moody’s Analytics

Even investment, which has suffered during the past five years amid increased state intervention in the energy sector, has finally topped its pre-pandemic peak. This was thanks in no small part to a burst of foreign direct investment in the manufacturing sector. Mexican exports to the U.S. topped those from China this year, the first time they have done so in nearly three decades. With manufacturing labor costs less than half

Disclaimer: The following views are those of Moody’s Analytics and do not represent those of Ginnie Mae, the U.S. Department of Housing and Urban Development, or the United States Government.

Figure 5: China Wage Gap Inverts

Monthly per worker compensation, manufacturing, \$



Sources: National statistics agencies, ILO, Moody's Analytics

those in China and reduced transportation and tariff expenses, global manufacturers are taking notice. Helping to bolster confidence in Mexico's manufacturing sector are near-zero tariffs and the United States-Mexico-Canada Agreement, which preserves Mexico's preferential trade ties with the U.S. and Canada. (Figure 5)

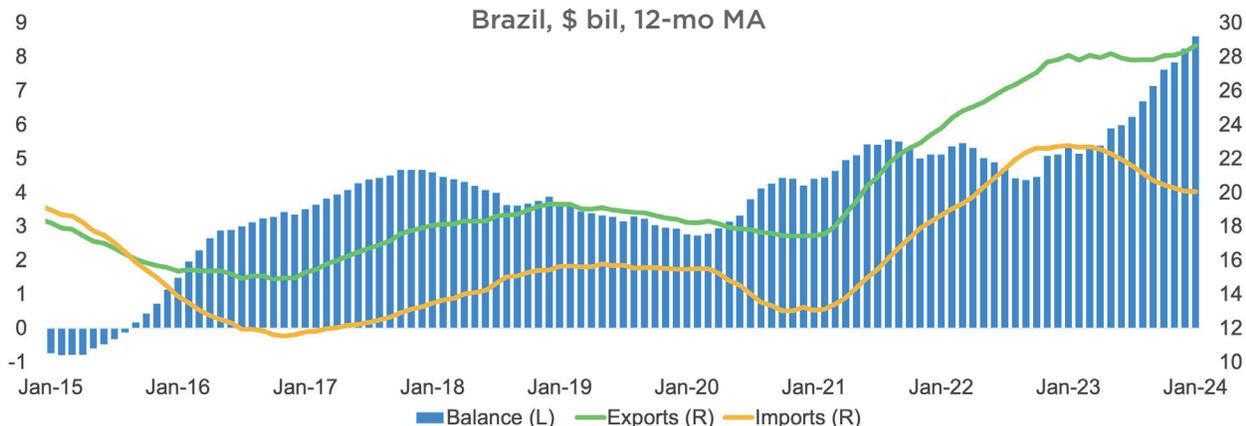
We do not expect the outcome of June's presidential election to move the needle policy-wise. López Obrador's chosen successor, Claudia Sheinbaum, holds a commanding lead in the polls. On the campaign trail, she is an unwavering adherent to the president's nationalist policies. If she does take office,

we expect a more pragmatic turn that would reopen the door to private investment in Mexico's oil and power generation industries.

Brazil's big year in 2023 was the result of a surging trade surplus, and trade will be a potent tailwind this year and into 2025. Already a global giant in agriculture and metals markets, Brazil has become even more so following the Russian invasion of Ukraine. Brazil has also become a bona fide crude oil exporter amid surging production in pre-salt oil fields. The country now ranks as the world's seventh largest producer and has cracked the top 10 in global crude oil exports. (Figure 6)

Figure 6: Despite Droughts, a Growing Surplus

Brazil, \$ bil, 12-mo MA



Sources: IBGE, Moody's Analytics

Still, the Brazilian economy will slow this year. This is a product of the post-election wind-down in government spending and an extended campaign of high interest rates. Despite these obstacles, Brazil will still outgrow most other economies in the region. While high real rates will weigh on spending, there will be supports as well: the rapid reduction in inflation will facilitate recovery in real incomes and put a base under hiring and consumer outlays.

Despite its treasure trove of commodities, the Brazilian economy is not a globally competitive exporter of manufactured goods, and this will limit its ability to capitalize on the global nearshoring trend. A web of complex labor and bureaucratic ties as well as high tariff barriers price Brazilian wares out of global markets. Take a base model Toyota Corolla, for example. The same car, produced in Brazil, is about one-third more expensive than the same model on sale in Mexico or the U.S.

Slow-going in the Andes

The Andean region will pivot this year from recession to recovery, but growth all around will be lukewarm. Last year, recessions in Chile and Peru unfolded alongside a Colombian economy that barely managed to grow. The recessions in Chile

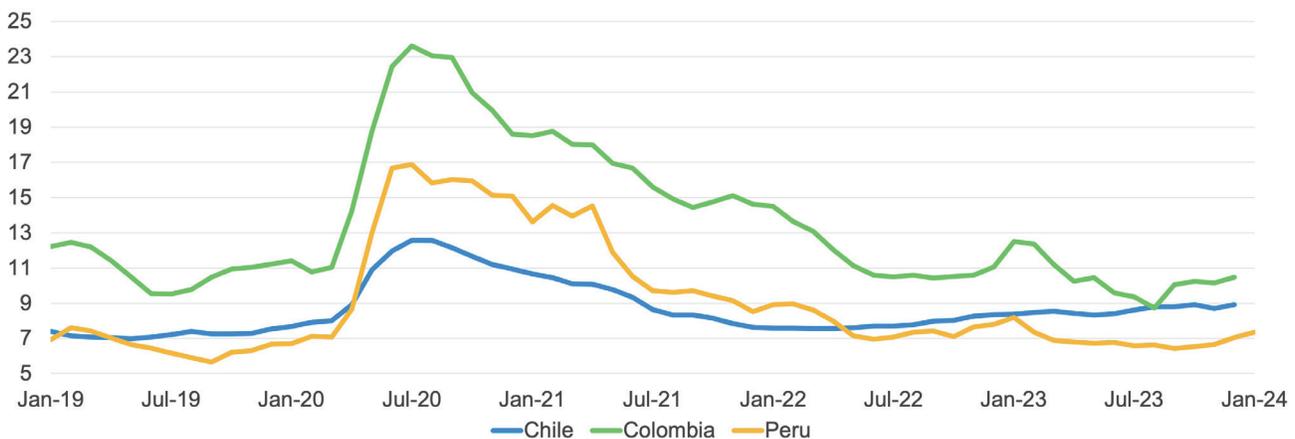
and Peru were shallow but nonetheless painful. Chile's monetary policy-induced recession—a response initially aimed at the surge in post-pandemic consumer spending—grew more severe in the wake of the Russian invasion of Ukraine and ensuing global food and energy supply shocks. In Peru, a spiraling political crisis subdued investment just when the labor market had begun to get its groove back.

The outlook for Colombia's economy has deteriorated in recent months amid stubbornly high inflation, lingering policy uncertainty, and slumping confidence. We now see the economy growing just 1.7% this year, down from the 2.2% we projected three months ago. Moreover, risks to our forecast have increasingly tilted to the downside in the past few months, putting the economy at a greater risk of recession in 2024. Indeed, further downgrades to our growth projections seem likely, as new economic data continue to depict deteriorating conditions.

Ailing labor markets are a common thread running through the Andes, with unemployment rates drifting upward in Chile, Colombia and Peru. While labor force statistics are less abundant in Ecuador and Bolivia, the latest data point to aching slow job and labor force growth. (Figure 7)

Figure 7: Tough Job Market Looms in the Andes

Unemployment rate, %, SA



Sources: INE, DANE, INEI, Moody's Analytics

Disclaimer: The following views are those of Moody's Analytics and do not represent those of Ginnie Mae, the U.S. Department of Housing and Urban Development, or the United States Government.

Our low expectations for broader economic growth are grounded in the difficulties in the labor market. With interest rates still high in real terms and no real catalyst to kick-start job growth, the road to recovery in Andean economies will be steep. Political paralysis is also a major stumbling block, particularly in Chile and Peru, where policy uncertainty has complicated the outlook for mining investment at a time of a global copper shortage. (Figure 8)

Despite ranking as the world's first and second-largest producers of the red metal, new investment is needed to exploit reserves and keep current mines running in Chile and Peru. So grave is the situation in Chile, where declining ore grades and infrastructure shortages have hampered investment, that production has declined for five consecutive years.

Ecuador on edge

The security crisis in Ecuador has entered another unsettling phase following the assassination of a prosecutor appointed to investigate the storming of a television studio by cartel gunmen in early January. The attack underscores the severity of the country's spiraling security crisis and the steep challenge facing the government of President Daniel Noboa in restoring the rule of law. The events of the past weeks will also bring changes to

our forecast, with markdowns to this year's outlook nearly certain to follow.

Given Ecuador's low underlying growth rate, hefty external debts, and the potential for the security crisis to take an even larger toll on household and business psyches, a recession this year is not out of the question. Our baseline outlook is that Ecuador's economy will still grow, helped in large part by the economy's low base in 2023. Yet doing much better than this in the near term will be a challenge. The limited success of anti-drug campaigns in the region makes the prospect of near- and long-term improvements in the overall security situation and the broader economy a distant goal at the moment.

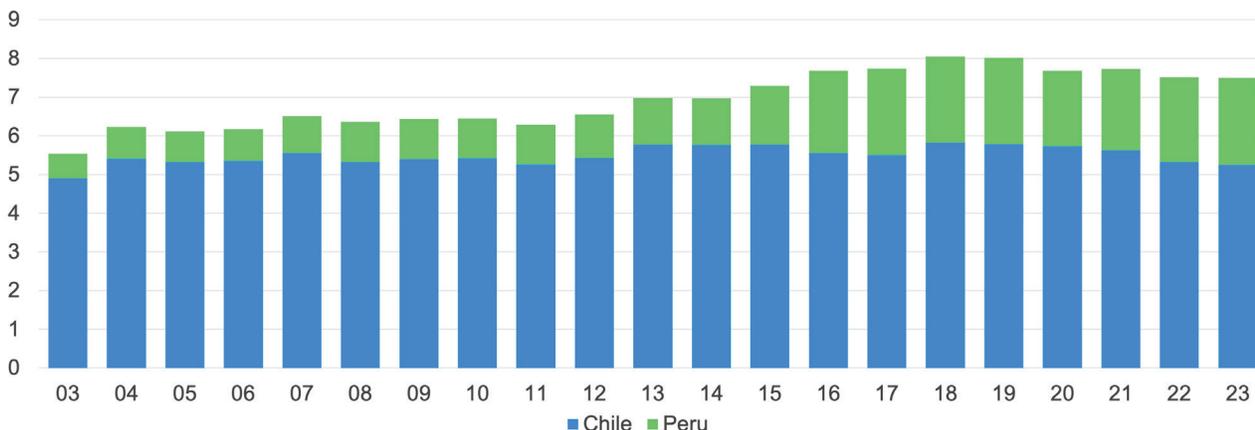
A cry for Argentina

Argentina entered recession late this summer, and shock therapies favored by new president Javier Milei will bring further pain. There is little way to curb inflation in Argentina, reduce workers' bargaining power, and resolve a multiple exchange-rate system without plunging the economy into a self-induced recession. (Figure 9)

Despite large cuts to fiscal spending and planned phase-outs of costly consumer price controls and subsidies, Milei will not be able to do all of what he would like to, which means the current recession

Figure 8: Andean Copper Production in Multiyear Decline

Copper production, mil metric tons



Sources: Cochilco, BCRP, Moody's Analytics

Figure 9: Argentina Tips Into Recession, Sentiment Even Worse



Sources: INDEC, Univ. Torcuato Di Tella, Moody's Analytics

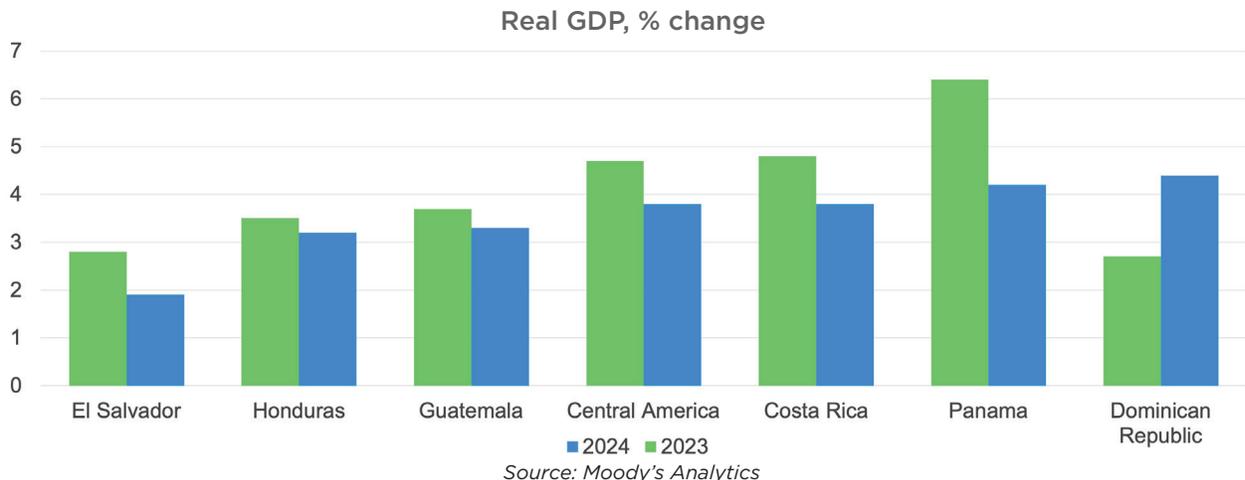
will fall short of what is necessary. There will be no definitive resolution to the country's debt with the International Monetary Fund and no basis for sustainable long-run growth. Among the richest countries as late as the 1980s, Argentina now ranks among the poorest, sitting just above the bottom two-thirds in terms of per-capita income.

Central America and Caribbean

Central America has consistently ranked among the better performing subregions, thanks in large part to the impact of remittances on consumer spending. Fiscal prudence has limited some of the more volatile economic cycles experienced in earlier decades while leaving room to counter swings in commodity prices. Less has been spent on social programs and security, contributing to an outflow of migrants that could ultimately lower trend population and economic growth. (Figure 10)

This year, growth in Central America and the Caribbean will be slightly lower compared with 2023. However, the subregion will continue to rank among the best performing in LatAm. Monetary relaxation and reduced inflation will support spending, while a robust tourism sector and still-strong inflows of remittances will spur the region's economy.

Figure 10: Another Strong Year in Store for Central America



Source: Moody's Analytics

Disclaimer: The following views are those of Moody's Analytics and do not represent those of Ginnie Mae, the U.S. Department of Housing and Urban Development, or the United States Government.

The Dominican Republic will see the most significant growth in 2024, with a rate of 4.4%—a considerable recovery from 2.7% in 2023. Despite retaining one of the fastest growth rates, Panama will likely face challenges due to drought conditions in the Panama Canal and the termination of a copper mining contract. Conversely, El Salvador is predicted to experience the slowest growth rate, at a modest 1.9%. There is also baggage on the political front. After months of hostility and political persecution before his inauguration, Guatemalan President Bernardo Arévalo may face governance issues, potentially affecting the country’s economic prospects.

Risks tilt to the downside

Latin America faces a bevy of risks, almost all to the downside. Any slowdown in global growth, whether arising in the U.S. or other major economies, would translate into a sharper slowdown in the region’s economies. There are risks on the global policy front and on the domestic. Though seemingly remote, a currency or debt crisis in smaller emerging economies could mean more difficult financial conditions in Latin America. (Figure 11)

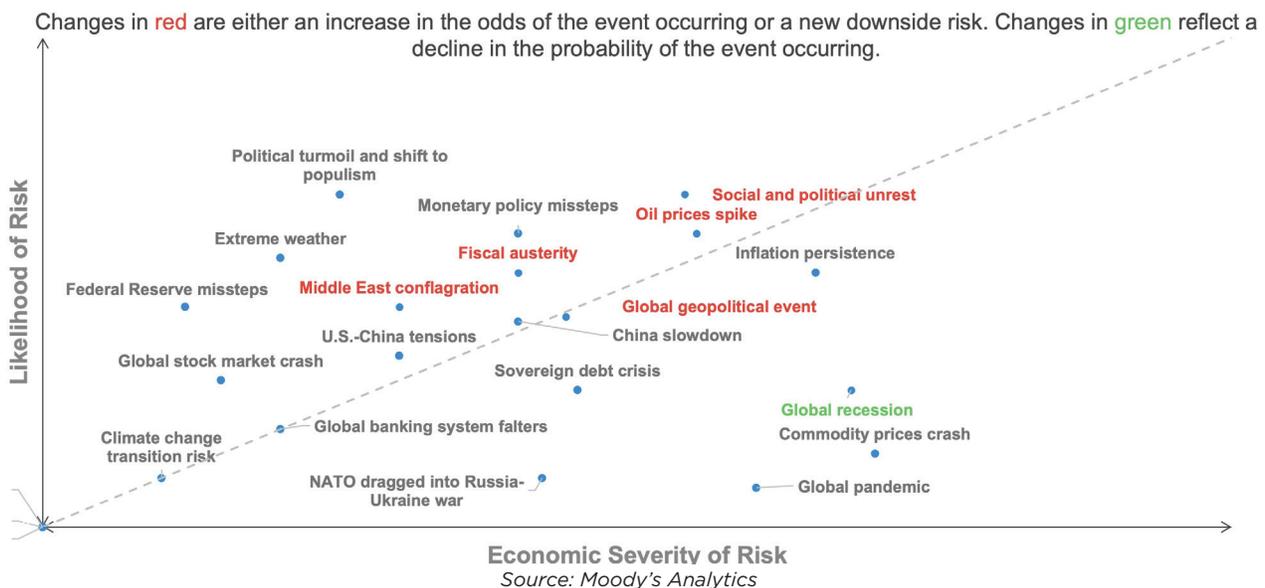
More concerning are risks on the political front. Our base case for the region is continued paralysis. This

on its own will cap Latin America’s growth in the near and medium term. While Mexico and Brazil have performed well in the past year, this is nothing to hang one’s hat on. Growth in the two economies pales in comparison with emerging Asia, and one year of good growth does not make up for the malaise of the past decade.

Achieving better growth will require the region’s economies to climb the value chain and close the gap in labor skills and productivity. It may not be realistic for Brazil and the Andean economies to emerge as global manufacturing hubs, but there are plenty of commodity-producing countries—such as Australia and Canada—that have become rich thanks to strong institutions and leadership in high-value service industries.

Given increased polarization across social, religious, ethnic and income lines, the region’s leaders will find it difficult to marshal support for the kinds of far-reaching changes needed to lower informality, compete in high-value manufacturing or services, and deliver stronger long-run income gains. Our baseline outlook for the region, therefore, is for steady but lackluster growth. More intense political frictions could knock the region’s economies off course in both the near and medium terms.

Figure 11: LatAm Risk Matrix



Disclaimer: The following views are those of Moody's Analytics and do not represent those of Ginnie Mae, the U.S. Department of Housing and Urban Development, or the United States Government.



NOTES



With support from the Inter-American Development Bank