

Current features of mortgage lending in Ukraine

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The article studies existing market methods of financing new realty building. The factors that characterize the current model of Ukrainian mortgage market are determined. Their advantages and disadvantages with regard to the interests of participants in the construction process are evaluated. The legal framework for mortgage housing members is generalized and researched. The shortcomings of the existing legislation on housing finance are determined. The functioning problems on mortgage market for such institutional agents as: Construction financing fund (CFF), Real estate fund (REF), Mutual investment company (MIC), corporate bond are examined. The assessment for factors that contribute to the stagnation of mortgage market is provided.

The possible ways for further development

of mortgage lending market and government measures to improve it are offered. The proposals are as following: to audit and improve national legislation that regulates mortgage relations on the primary and the secondary market; consider the feasibility of implementing other than commercial banks and CFF – REF primary mortgage financing institutions; to improve and increase the efficiency of the stock market institutions because of mortgages (in terms of fundraising, refinancing loans, the availability of secondary market mortgage instruments), are not able to exist without a strong financial market participants that are able to effectively reallocate financial resources to convert savings into investments; to introduce more strengthened state regulation of all areas related to residential mortgage financing and investment.