

\*\*\* Press Release \*\*\*

## **Omtrix Announces Launching of the Higher Education Finance Fund**

December 14, 2011. San José, Costa Rica

**Omtrix, Inc. (Omtrix)** is pleased to announce the launch of the **Higher Education Finance Fund (HEFF)**, a student loan financing fund that will leverage the existing network of microfinance institutions (MFIs) in Bolivia, the Dominican Republic, Guatemala, Honduras, Paraguay, and Peru in order to promote and finance higher education opportunities to underserved, low-income youth. HEFF will accomplish this by providing loans to MFIs and other financial intermediaries serving low-income clients in select developing nations. These institutions will in turn provide student loans to underprivileged youths seeking to fund their higher education. If successful, this program will serve as a model to be replicated worldwide on a larger scale. Omtrix has been responsible for both the structuring and fundraising of the facility, and will be responsible for managing the new fund. The financial plan for the facility has been recently completed with initial equity funding from highly respected industry participants such as the **Calvert Foundation, KfW Bankengruppe, Luxembourg Microfinance and Development Fund (LMDF), Norwegian Investment Fund for Developing Countries (Norfund), and the Swiss Investment Fund for Emerging Markets (SIFEM)** soon to be joined by the **Corporación Andina de Fomento (CAF)**. Additional debt funding is anticipated from the **Deutsche Bank Foundation, the Overseas Private Investment Corporation (OPIC), and the Inter-American Development Bank's Oportunidades para la Mayoría**. Total funds committed amount to US \$35 million. These funds will be used to finance higher education loan portfolios of socially-oriented financial intermediaries in the six selected countries.

Omtrix ([www.omtrixinc.com](http://www.omtrixinc.com)), a Costa Rica-based fund management and financial consultancy specializing in microfinance, recognized the potential fit between the microfinance industry and higher education lending. Studies have shown that more and more young men and women from low-income backgrounds realize the value of higher education beyond high school. Unfortunately, the high cost of attending these schools continues to act as a barrier, perpetuating the disparity between the underprivileged and upper classes. HEFF will use the existing MFI network to reach out to this underserved community, leveraging the institutions' existing relationships and know-how in serving the poor. MFIs have consistently demonstrated their expertise in efficiently and effectively bringing financial services to low-income clients.

Demonstrating their ability to handle more sophisticated financial products, MFIs have broadened their product offerings beyond loans to micro-entrepreneurs. Higher education loans could likely be another successful product offering. Through a parallel technical assistance facility, HEFF will introduce the right lending methodologies to microfinance institutions and help them effectively design and adapt this new product.

The parallel technical assistance facility will also provide a toolbox of support to students benefitting from the program to help them adjust to the responsibilities of having a loan and the demands of a higher education career. The technical assistance facility will provide guidance in understanding the loan, fund counseling for troubled students, and aid students in their job search after graduation. This technical assistance program is funded by **The MasterCard Foundation, KfW Bankengruppe, and USAID**.

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