Habitat for Humanity and HOPE International announced a partnership in September 2008 to provide affordable home-improvement loans to low-income families in Ukraine. The pilot program helped 200 families in the Transcarpathian region. At first, home improvement loans were distributed to the previous clients of HOPE. Later, they were expanded to all low-income families who meet certain selection criteria.

The housing need in Ukraine

While Ukraine has recorded steady overall growth since 2000, it also has endured a widening gap between the rich and the poor. Overall, living standards for the majority of people have continued to decline, with poverty’s grip especially strong among families with many children and single-parent-led households.

According to official estimates, nearly one in three Ukrainians lives in substandard conditions. About one-third of all state apartments are in need of extensive or routine repair. All housing built during the industrial housing development in the communist period needs reconstruction, whether in private or public hands. Most of the multi-apartment building blocks were constructed from low-quality prefabricated materials that began crumbling after decades of mismanagement.

Overcrowding is another big housing problem, with several generations living together in small apartments. Even middle-class families cannot afford to buy homes of their own as there is no well-established system of affordable mortgages. Many areas, especially in the west of the country, are also exposed to risks from natural disasters, such as floods and landslides.

How Habitat addresses the need

Habitat for Humanity works in western parts of Ukraine through its partner, HOPE International. It issues small loans for home-improvement purposes. These can vary from upgrading heating systems to laying new floors, installing windproof windows or putting up new wallpaper. Habitat is offering partner families construction expertise for renovation work.
Here is an example of a Habitat project in Ukraine:

### Home-improvement loans

Families on low income who meet certain other eligibility criteria can access loans ranging from $500 to $1,260 to finance home improvements such as roof repairs, plumbing and electrical work. Following the Habitat model, loan recipients invest their own labor in remodeling their homes. This reduces the cost of the project and increases the pride of home ownership. The below-market-rate loans require monthly installments for six to 24 months, with payments deposited in a revolving fund to generate additional home-improvement loans to more families.

### Meet a Habitat family

Elena Snitar lives in a small house in the center of Khoost, in western Ukraine. Since her husband died, she has been raising two-teenage sons, Ivan and Yuri.

Elena runs her own business. She sells basic goods in a small stand at the road opposite her house. With her central location, she always has customers and enjoys a steady income, but the current economic downturn is taking its toll on the business, and earnings have been dwindling.

She has been living in a three-room brick house for 12 years without making any repairs. For cooking and showering, the family used to draw water from a nearby well. But the well has dried up, and for four months the family has lived without a water source. Elena can’t earn enough to connect to the existing pipeline.

In the HOPE Ukraine office, Elena heard about Habitat for Humanity’s loans for home improvements. With the loan, she could dig another well in the yard, install pipes and connect them to the house.

With the borrowed money, she hired workers and equipment for the necessary excavations. Elena is thankful for Habitat’s hand up to the people in the Transcarpathian region of Ukraine.