



Reducing inequalities and
building economies by
bringing financing to
mortgage-less West Africa

USAHF COMPANY BROCHURE





A MESSAGE FROM THE MANAGING DIRECTOR

I was the very first investor in USAHF back in early 2017 and have continued to enhance my personal investment to this day. **Every investment decision I make for USAHF impacts all investors equally, including me.** However, financial gain is only one aspect of why I feel compelled to grow and nurture USAHF.

For the first time in my career, I am managing a business enterprise that has a compelling, measurable positive impact beyond just financial gain. **Make no mistake about it, every single day USAHF has a profound and tangible social impact on the various people we touch and influence:** from borrowers in the US, France, Germany, UK and other OECD countries to the local communities in West Africa where we facilitate local employment; empower women-owned businesses; and generally make the dream of homeownership a reality for our customers. In the pages of this brochure you will see and read about the myriad ways in which USAHF is making lives better through our approach to business.

We hope you will take the time to better understand the depths of our commitment to ethical and sustainable business practices, and if it aligns with your values and investment goals we hope you will join us on this rewarding journey which we know will lead to a better tomorrow.

Ameet Dhillon
Managing Director, USAHF



“ I just cannot believe
it. I never thought
this was possible.

-Fatoumata*, AHWA client ”

“I just cannot believe it. I never thought this was possible.” Fatoumata’s* voice shakily came through the phone as she choked back tears. It was a sunny summer day when Fatoumata received a WhatsApp call from West Africa. She briefly stepped outside of her job as a home health care aid, where she regularly worked overtime, to take it.

Fatoumata was from Guinea, but lived in the U.S. with her two small children and husband, while her sisters and mom still lived in her birth country. Since coming to the US her dream had always been to see her mother living in a beautiful home before she died. And her mother’s dream was to see her daughter own a beautiful home in Guinea before she died.

For years Fatoumata tried building a home on the land that she owned in Kouria, a decision her then husband never supported. She sent money back to Africa for years in hopes of building her mother the home she deserved, but only ever received a (now rotting) foundation in return. Never losing hope, she continued to save her money and through American Homebuilders of West Africa (AHWA) and US-Africa Housing Finance (USAHF) was finally able to start building a home for her mother in Guinea.

In the middle of purchasing the home, her husband left her and their two small children and refused to pay child support. Instead of abandoning her dream, she moved into a less expensive apartment and upped her hours at work.

Although she knew construction was finished on her home and her mother and sisters had already moved into the house that warm day in June, she still couldn’t help but be overcome with emotion when the video call came in. Seeing Jonathan Halloran, CEO and Co-Founder of AHWA, standing in her home with her mom and sisters made it real. She hadn’t been ripped off, her home had been built, and all the sacrifices and extra hours she had worked to save up money for USAHF’s financing option was worth it. Her mom and sisters lived comfortably in the home and Fatoumata paid off the house in three years instead of the ten she was given. Both her and her mother’s dreams had come true.

**Name of real client has been changed to protect the family’s privacy*

The continent of Africa has about 1.3 billion people today and many demographers believe it will nearly double to 2.5 billion by 2050.

Africa also has the youngest average population with a median age in 2012 of 19.7 vs. a worldwide median age of 30.4. This unparalleled level of growth, coupled with youth, presents many challenges for the housing sector.

The African Development Bank estimates there is a deficit of 50.5 million housing units in Sub-Saharan Africa.

Every government in Africa recognizes residential housing as a key problem, yet it is hardly being addressed. The problem seems almost intractable, particularly in the so-called “social housing” segment which is often defined as a residence that costs less than \$25,000 USD. So what is the problem and is there any way to solve it?

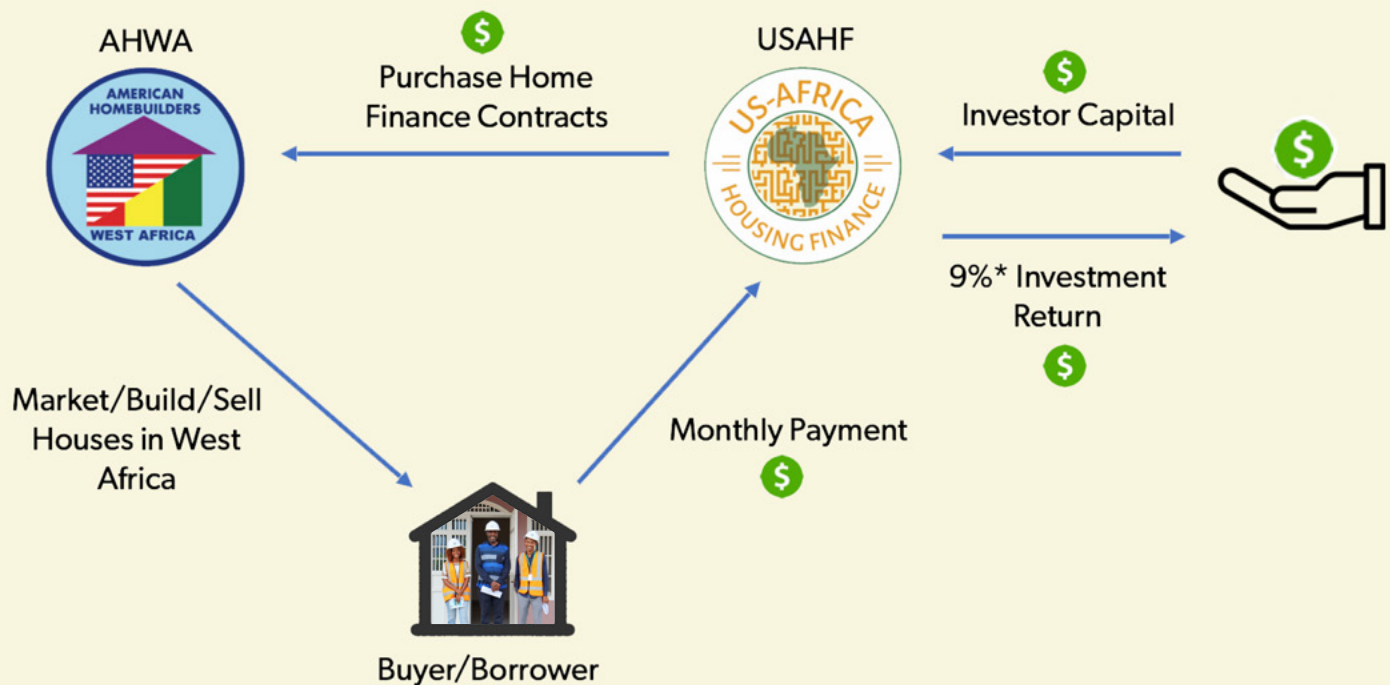
The issues with housing in Africa are numerous, but there are at least four main problems that must be overcome: 1) inconsistent or poor-quality construction due to a lack of international-class training for construction trades, 2) limited economies of scale because house construction is often project managed by the owner or his/her representative, 3) a lack of trust in real estate developers, and 4) homebuyer financing - perhaps the biggest challenge. Without some sort of reasonable financing mechanism, a housing industry simply cannot achieve scale. Imagine for a moment trying to buy your current residence in the US, Europe or indeed anywhere in the world by paying cash at the time of purchase.

Would you be able to buy your house under those circumstances? For most people, the answer is no, yet that is the environment that the majority of African homebuyers face today.

American Homebuilders of West Africa (AHWA) and US-Africa Housing Finance (USAHF) are both US-registered LLCs that symbiotically work together to build, sell and finance houses in West Africa. AHWA markets, builds, and sells houses in West Africa and USAHF provides financing to buyers by purchasing installment purchase agreements (IPAs) originated by AHWA. Private investors provide the capital to USAHF (earning an annual 9%, US-dollar return on average*) which begins the virtuous cycle that propels this relationship forward.

So how did USAHF and AHWA overcome the four problems laid out earlier where others have failed? The first problem of poor construction quality requires investing in the local team's development and a great deal of diligence and desire to produce a quality product. The co-founders of AHWA have that desire and thus construct houses that anyone can be proud to live in. Part of this diligence can be traced back to their experience as Peace Corps Volunteers in Cote d'Ivoire in the 1990s, and part to their 'trial by fire' launching a housing venture in Guinea just as the Ebola epidemic was surging in 2014. As an example of their dedication, one of the co-founders of AHWA, Jonathan Halloran, has personally trained the local African team on how to build a safer ladder, use power tools effectively, and organize a logistics depot — but more importantly he has conveyed the importance of these lessons, and has empowered the local team to train subcontractors and tradespeople to catalyze better job safety beyond AHWA's own developments.

The second problem—limited economies of scale—, and the third—lack of trust in developers—go hand in hand. If there is trust in housing developers, then there is no need for individuals to build their own house and suffer the associated pain and heartache. AHWA has gotten over the trust problem the



old-fashioned way: they provide a quality product to their customers and “word of mouth” over time has done the rest. AHWA is now a trusted brand in Guinea-Conakry and beginning to develop name recognition in neighboring countries such as Sierra Leone, Cote d’Ivoire and Senegal - with many more to come.

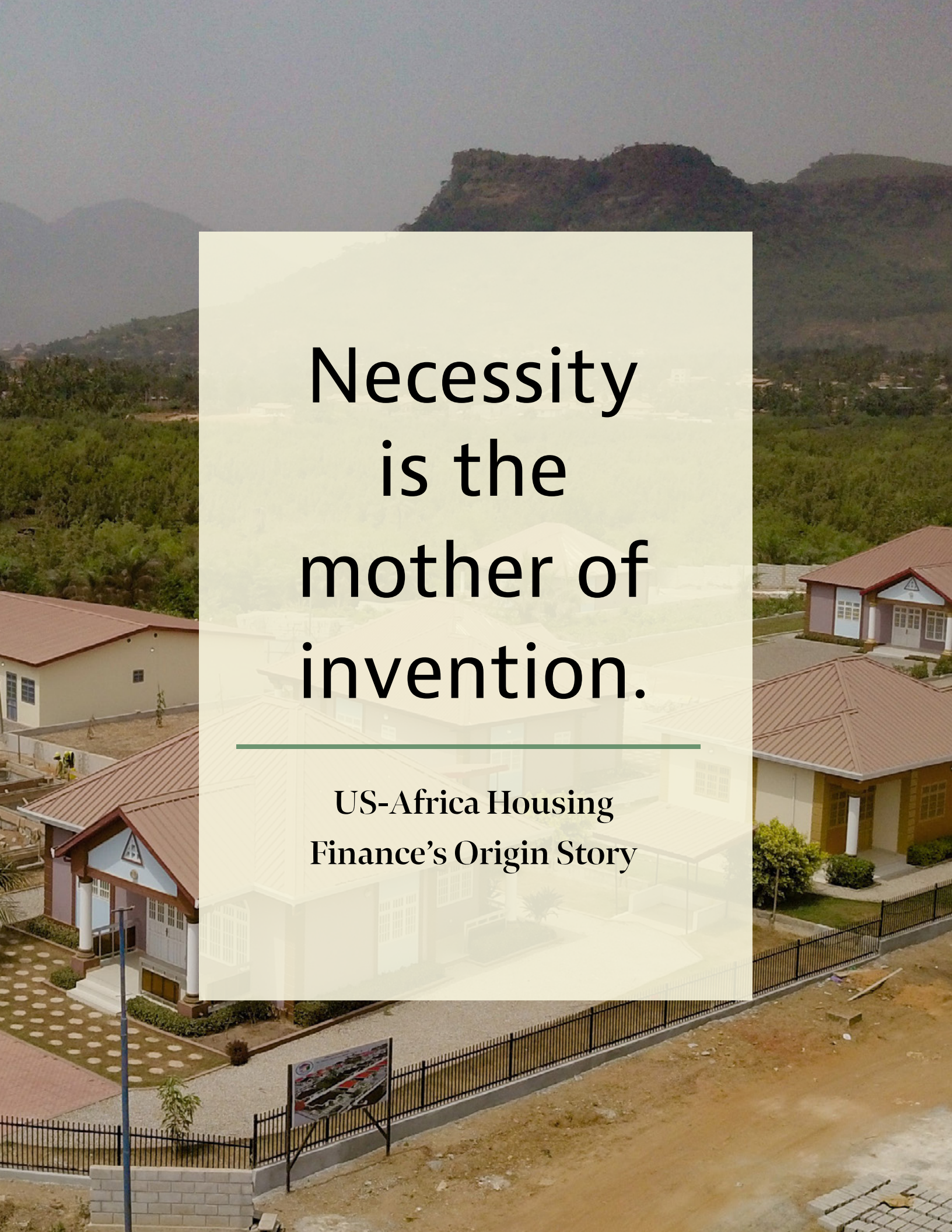
The final problem is financing and this is perhaps the most vexing of all due to currency risk, challenges in underwriting informal sector workers, and lack of institutional capacity and regulatory support in regional markets. Because of the lack of adequate hedging instruments for local African currencies, USAHF currently only provides financing for the African diaspora living in OECD countries such as the US, France, Canada, UK, etc. and all contracts are in US dollars. In addition, a minimum 30% down payment is required along with customary verification of income, debt and the like.

One unique aspect of the joint AHWA/USAHF underwriting model is that they allow borrowers

to pay monthly into what is effectively an “escrow account” for up to 24 months in order to reach the 30% down payment level. This is not only helpful for the borrower but also provides invaluable data and confidence about the borrower’s ability to pay. If someone has the financial discipline to make a monthly payment for a year or more without even having a house, the likelihood of them defaulting once they actually have the house is very low. In other words, they are an excellent credit risk.

USAHF and AHWA have a profitable, sustainable and replicable model that can solve the housing crisis in Africa.

**historical results over past 3 years; future results not guaranteed.*



Necessity is the mother of invention.

US-Africa Housing
Finance's Origin Story

In early 2015 Ameet Dhillon, Managing Director of USAHF, made a personal investment in American Homebuilders of West Africa (AHWA) because his close friend and Wharton school classmate, Bob Hornsby, was a co-founder. Ameet had never been to sub-saharan Africa and moreover knew very little about the continent. However, he trusted his friend's judgement and liked the idea of **investing in a venture that was created to provide compelling social impact along with the potential for significant investment return.**

Fast forward several years and AHWA was enjoying some early success, but with a glaring problem: Without reliable buyer financing, AHWA could not scale the business. After helping his friend think through various potential solutions to the problem, Ameet realized the only viable path was to incorporate a financing company that would work hand-in-hand with AHWA to provide buyer financing. This fateful decision set in motion the birth of US-Africa Housing Finance (USAHF) in March, 2017 and led to Ameet managing USAHF to this day.

USAHF BUSINESS DESCRIPTION

US-Africa Housing Finance (USAHF) delivers attractive returns (9% annual yield*) to accredited investors by purchasing installment purchase agreements (IPAs) and distributing the interest (quarterly) to investors. The IPAs are all US dollar-denominated and backed by high-quality homes in West Africa. The houses are predominantly purchased by members of the West African diaspora who wish to own a home in the country of their birth. The home purchase is another form of monetary remittance to West Africa and serves as a powerful economic catalyst to the region. All labor and materials for housing construction is locally sourced and thus positively impacts the local economy. In addition, some models meet the definition of "social housing" (\$25k USD) and all of AHWA's completed homes have raised the quality of local housing stock.

**historical results over past 3 years; future results not guaranteed.*

AMERICAN HOMEBUILDERS OF WEST AFRICA (AHWA)

USAHF has an exclusive agreement with AHWA. All IPAs which USAHF currently purchases are originated and underwritten by AHWA.

AHWA was founded in 2014 and markets, sells and constructs high-quality, western-style housing in West Africa.

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- **WEBSITE:** www.usafricahf.com
 - **INVESTOR CAPITAL (as of 10/1/22):** \$2,593,602
 - **NUMBER OF IPAS IN PORTFOLIO (as of 10/1/22):** 65
 - **AVG LOAN AMOUNT:** \$39,902
 - **PORTFOLIO AVG. LOAN-TO-VALUE (LTV):** 59.1%
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INVESTMENT TERMS

MINIMUM INVESTMENT: \$10,000

LENGTH: Invested capital repayment after 4 years

DISTRIBUTION: Quarterly electronic payment (via ACH)

TAX TREATMENT: Passive business income

ANNUAL TAX FORM: Schedule K-1 (form 1065)

POTENTIAL RISKS AND RELATED MITIGATION

CURRENCY: All contracts are in US Dollars

DEFAULT: A variety of underwriting criteria are applied including a minimum 30% down payment. In addition, AHWA holds the house title until the entire financed amount (IPA) has been paid off. One default has occurred to date.

LEGAL: All IPAs are US legal contracts and enforceable in the United States

POLITICAL: A local management team is on the ground in West Africa and maintains a strong relationship with the Ministry of Housing and Urban Development and related entities. In addition, expansion to other countries in the region (e.g. Cameroon, Cote d'Ivoire, Ghana, Liberia, Nigeria, Senegal, Sierra Leone) will diversify the portfolio across West Africa.

WHAT HAPPENS IF A BORROWER DEFAULTS?

All home loans are secured by a house. AHWA holds the title until the loan is paid off and is legally obligated to resell the house (on USAHF's behalf) in the case of a default.

INVESTOR RELATIONS CONTACT

- **NAME:** Ameet Dhillon, Managing Director
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- **CELL:** 650-814-8436

USAHF's & AHWA's SOCIAL IMPACT

“ If a company comes and sets up in remote areas, it [development] happens little by little. Before AHWA was here, it [Gomboyah, site of first development] was the bush. But today, we can say, ‘thank God’. Because with this housing development here, someone now will say, ‘Wait I’m also going to build a house next door, **because AHWA developed the area,** we can stay there, and we can live there. **We have water, we have electricity.** Although the roads are not smooth, we don’t complain. If I need something that I can’t find right here, I can quickly go to pick it up.’ It comes gradually. We have the shops on the side of the road. **And we thank God, we are here and we have no complaints.**

-Simon Pierre Kamanou, subcontractor, AHWA's Gomboyah site

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COMMITMENT TO
LOWER CEMENT
CONTENT IN
CONSTRUCTION
(CO₂) BY 30% IN
NEXT 24 MONTHS

ENVIRONMENTAL

- No burn policy on all clearing
- Native tree preservation
- Erosion & runoff control in landscaping to avoid excessive runoff in rainy season
- Native grasses hearty enough to survive 7 month dry season without watering

13 CLIMATE
ACTION



YOUR INVESTMENT MAKES A DIFFERENCE

USAHF and AHWA support the UN Sustainable Development Goals.

1 NO
POVERTY



475
NEW JOBS
CREATED*

**as of Sept 2022*



JOB CREATION & TRAINING/EMPLOYMENT

- Average of 70 workers employed on every house
- 99% of construction material sourced locally.



“My uncle was an engineer and I would always study his notebooks, captivated. At the end of high school, I told my father that I would be an engineer just like my uncle. He told me no, that was not a job for a woman. But I knew that this was my passion.

The work of AHWA continues to fascinate me because it's the first company that I've seen that is really here to help West Africans—the process of financment is easy and the houses affordable and of high quality. But also, it's a company that is here to help the younger population through job creation and constant professional development.”

-Astou Keita, Civil Engineer, American Homebuilders of Guinea”

33% OF AHWA'S
MAJOR MATERIAL
SUPPLIERS IN
WEST AFRICA ARE
WOMAN-OWNED



WOMEN'S EMPOWERMENT

- Policy of promoting women in all hiring (particularly construction operations)
- Working with apprentice programs to train more women in construction crafts

AFFORDABLE HOUSING

- Addressing one of the world's great crises- housing in Africa
- Introducing new techniques to lower construction costs



\$4 MILLION INVESTED
IN WEST AFRICA

125 UNBANKED OR UNDERBANKED FAMILIES PROVIDED FINANCING OPTIONS

10 REDUCED INEQUALITIES



FINANCIAL INCLUSION

- Providing financing options to diasporans many of whom are unbanked or underbanked
- Client specific underwriting that considers personal financial situations



1,000+ EMPLOYEES & CRAFTSPEOPLE TRAINED

8 DECENT WORK AND ECONOMIC GROWTH



“The huge difference between working at AHWA as opposed to working at another company is that **everyday you learn something new.**”

-Fatoumata Diaby,
Chief Accountant,
American
Homebuilders
of Guinea

TECHNOLOGY TRANSFER/TRAINING & SAFETY

- Committed to hiring African teams and promoting leaders from within
- Ongoing training programs for employees and subcontractors
- Introduction of new tools like wet saws and small power tools to improve efficiency in construction
- Extensive training conducted in cloud computing
- All workers trained to follow international standards for construction and safety.

“My children grew up in the U.S.
When my son saw our home
in Gomboyah the first time, he
said, ‘Wow, Mom, it’s so much
nicer than our house back home!’

-Lancine, AHWA client”

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