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## MORTGAGES POPULATION AS ONE OF THE PROMISING POSSIBILITY OF RECOVERY VILLAGE IN UKRAINE

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*Summary: In article is analysed the dynamics of number of rural settlements in Ukraine. Also foreign and domestic conditions of provision of mortgage loans are researched. Researched the advantages*

*and disadvantages of provision of mortgage loans for residents of the village. The main problems of mortgage lending in Ukraine are specified and ways of their overcoming are offered.*

**Key words:** mortgage loan, interest rate, soft credit, creditworthness, agro-industrial complex, rural zone, village population.

There is a decrease of number of villages and size of their population since independence in Ukraine. There is a need to rebuild the villages, because the agriculture takes the second place among the economic sectors in the export structure. One of the promising possibilities to launch the recovery process is to provide mortgage loans for villagers. Mortgage can improve a welfare, a life quality of citizens, which will expand their opportunities to entrepreneurship and allow to solve a housing issue and to improve social protection.

Mortgage loan gives the following advantages to business entities:

- expand the existing farming by purchasing new real estate, including new land, buildings and structures;
- get credit to buy land and start own business by using it;
- renew the working capital.

Having analyzed the domestic and the foreign terms and conditions of the mortgage loan, was detected too stringent requirements from domestic

lenders to borrowers such as: the size of the first installment is about 30-50% of housing costs and the average interest rate is 23-24% (compared to 3-5% in Europe).

Was revealed that in fact the only program which enables the villagers to get a soft loan is «Vlasnyy dim». Funding of said program carried out by the state budget, local budgets and appropriations of the citizens. Regional programs « Vlasnyy dim » are realized in almost all regions of Ukraine since 1999. It is indicated that the main problems of mortgage lending in Ukraine are the inadequate legislation, the absence of trust and information among the citizens, the discrepancy between lending conditions and solvency of the population, the absence in Ukraine specialized mortgage banks. Therefore we recommend to review the terms of the loan, to improve legislation in the area of the mortgage lending and to create an appropriate organizational structure that will serve as a contact between banks and potential customers - the population of the village.

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