

Governor

BANKI  
KUU YA  
KENYA



CENTRAL  
BANK OF  
KENYA

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P.O. Box 60000 - 00200 Nairobi, Kenya  
Telephone: 2861003/24, Fax: 2716556

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August 23, 2019

Mr. Michael Sialai, EBS  
The Clerk's Chambers  
National Assembly, Parliament Buildings  
P.O. Box 41842 - 00100  
NAIROBI

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Dear *Mr Sialai,*



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**SUBMISSION OF THE CENTRAL BANK OF KENYA (MORTGAGE REFINANCE COMPANIES) REGULATIONS, 2019 FOR PARLIAMENTARY SCRUTINY**

The Kenya Mortgage Refinance Company (KMRC) is a vehicle the Government incorporated in April 2018 to support affordable housing by lending to primary mortgage lenders. To this end, the National Treasury initiated amendments to the Central Bank of Kenya (CBK) Act, through the Finance Act, 2018 to:

- Introduce a legal framework for mortgage refinance companies (MRCs).
- Empower the CBK to license and supervise MRCs, amongst other powers.
- Mandate the CBK to determine capital adequacy and liquidity requirements for MRCs.
- Require the CBK to formulate Regulations for the implementation of the MRC legal framework.

The purpose of the Central Bank of Kenya (Mortgage Refinance Companies) Regulations, 2019 is to give effect to Section 57 (1) of the CBK Act which empowers the CBK to make Regulations. In this regard, the CBK published the Central Bank of Kenya (Mortgage Refinance Companies) Regulations, 2019 as Legal Notice No. 134 of 2019 in the Kenya Gazette on August 16, 2019. The publication follows a consultative process involving the National Treasury, financial institutions and other stakeholders.

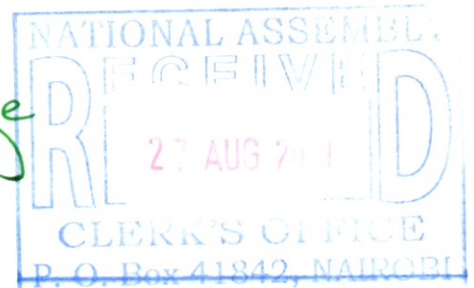
Arising from this, and in accordance with the Statutory Instruments Act, CBK herewith transmits a copy of the published Regulations together with the Explanatory Memorandum for tabling before the National Assembly for parliamentary scrutiny and approval.

*MC Deal  
26/09*

We look forward to your usual expediency in the matter.

Sincerely,

*Patrick Njoroge*  
**Dr. Patrick Njoroge**



Julius Muia, PhD, EBS  
Principal Secretary/National Treasury  
NAIROBI