

10

Community finance systems in Thailand



Community finance in THAILAND =

SAVINGS GROUPS

- 1,903 groups in 345 cities
- 850,000 saving members
- \$102 million in total savings
- Savings started in 1987



CITY FUNDS

- 116 city development funds
- in 116 cities and towns
- \$6.1 million
- First city fund started in 2008



NATIONAL FUND

- Community Organizations Development Institute (CODI)
- \$200 million in lending capital
- Started in 1992

THE STUDY :

The community finance study in Thailand was carried out by the National Network of Urban Communities, with documentation and translation assistance from friends at ACHR. There are now 116 cities and urban districts in Thailand with their own city funds, but the network decided to focus the Thai study on 63 of the most active City Development Funds.

Besides the summary of the Thai study presented in these six pages, more details about various aspects of Thailand's community finance story have been highlighted in later parts of the report:

- Separate but together (Pg. 56)
- Top-scoring Thai CDFs (Pg. 60)
- Thai welfare funds (Pg. 63)
- On being essential (Pg. 65)
- Loans from banks (Pg. 69)
- Institutionalizing ideas (Pg. 70)

■ **CONTEXT IN THAILAND:** The kingdom of Thailand, with its population of 68 million people, is one of the few countries in Asia that was never colonized. Since absolute monarchy ended in 1932, Thailand's periods of uneasy democracy have been interspersed with no less than 19 coups d'etat and stretches of military rule, which may partly explain the country's political system, which is still quite centralized. But all this political upheaval hasn't slowed down the country's rapid economic growth and urbanization, which began in the 1960s, peaked in the 1980s and continues today. For half a century now, Thailand's cities have drawn in millions of poor rural migrants looking for jobs and opportunity. But when it comes to finding housing, many can't afford anything in the formal market and make their homes as best they can in squatter settlements along highways, canals, railway lines and on leftover bits of public and private land, where living conditions are bad and development pressures make many vulnerable to eviction. By the end of the 1980s, nearly a quarter of Bangkok's population lived in some 1,500 slums around the city.

■ **A LOT OF FUNDS IN THIS COUNTRY:** During periods of democracy, Thailand's competing political parties have tended to compete for votes from the country's rural and urban poor with a variety of populist policies, including some which have channeled government budgets into a series of progressive public funds, which addressed a variety of rural and urban development needs in new, creative and decentralized ways: community funds, community health care funds, village funds, housing funds, rice guarantee funds. The strategy of using somewhat autonomous funds to address different development needs in more creative and sustainable ways, rather than the conventional state-driven programs and fiscal budgets, became a specialty in Thailand, and there has been a lot of experimentation with different kinds of funds - even during some of the interim coup d'etat administrations. Despite these progressive directions, though, the country's gap between rich and poor has continued to widen.

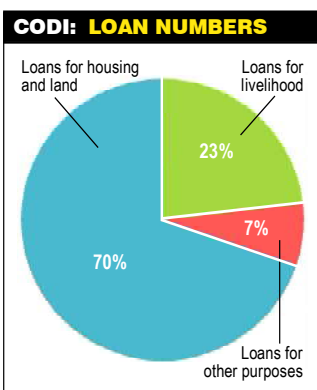
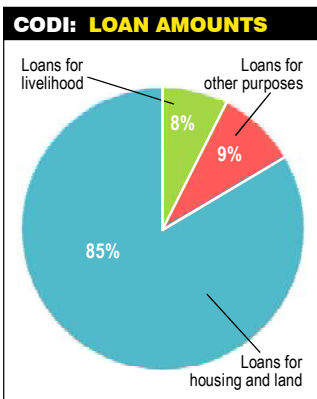
■ **A RICH HISTORY OF COMMUNITY FINANCE:** Thailand has a long and rich history of community finance systems that enable poor communities, in both rural and urban areas, to save together and access credit in different ways. Since the 1960s, self-managed credit unions and savings cooperatives have been active across the country. Likewise, self-run village banks, Buddhist savings groups and several national government programs to establish village funds have enabled poor families in rural communities to pool their resources and finance their own development initiatives, using both their own resources and government capital. For the urban poor, collective savings and funds were a strategy some scattered communities began to use when faced with the prospect of eviction. In 1987, an innovative scheme by the government's Community Development Department helped expand the urban community savings process, and although the scheme was top-heavy, many community leaders saw the potential in this finance system that they could control themselves, and the savings process kept adjusting itself and growing.

Everybody in these communities is "in the boat" . . .

The procedures and organizational structures of Thailand's urban savings groups were developed as tools to strengthen the *whole community* as the primary unit of change. In order to address the structural problems of poverty, land and housing in more comprehensive and more citywide ways, the Thai community finance model also considers it crucial to link the community process with local governments and other key local actors in each city. In this "area-based" conception, a savings group is part of a citywide network, is based in one community and includes as many members of that community as possible in the process.



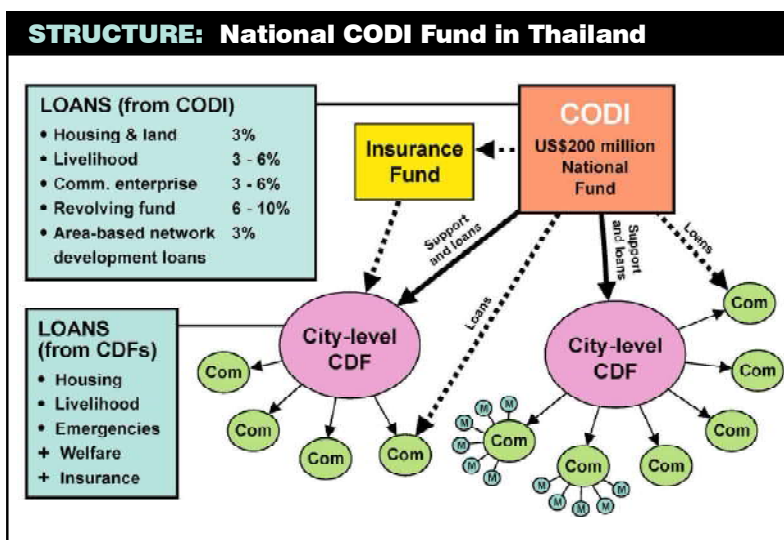
Savings is just one of many activities that community members can get involved in, and the goal of all those activities is the same: building up the community as a strong social support system and the main agent of change. The Thais speak of a poor community being like a boat, and are emphatic in considering everyone who lives in that community as being "in the boat", even if they may not participate initially. For the Thais, the skeptics, the fence-sitters and the trouble-makers are all part of the game - they're all in the boat. The doors to taking part stay open, and the goal remains to get everyone to join in, because the development is seen as being necessarily community-wide and citywide. But because many communities are quite large (up to 500 members), the Thai savings groups usually divide themselves up into sub-groups of a more manageable ten or twenty neighboring households.



■ **UCDO:** Then in 1992, the Urban Community Development Office (UCDO) was set up, as a special project of the National Housing Authority, to deal with poverty reduction and housing for the urban poor. Instead of being the solution-provider, though, UCDO set out to build capacities in poor communities so they could deliver the solutions themselves, and so began initiating collective savings and loan groups in poor communities on a national scale, strengthening people's organizations and encouraging collaboration with local government and other civic groups. UCDO's chief tool was another fund: the Urban Community Development Fund, which began with a capital of \$36 million. UCDO gave bulk loans to communities for their housing and livelihood projects, and to expand the lending capacity of their internal community savings funds. A third of the members of UCDO's governing board were community leaders, and that made it the first government entity to institutionalize the involvement of the urban poor in directing policies that concern them. Besides offering credit, UCDO also supported the creation of area-based and issue-based community networks, at all levels, to link poor communities within cities, provinces and regions and create a people-driven system of horizontal learning and support within Thailand's community movement.

■ **CODI:** During the eight years of UCDO's work, the community savings and network processes grew by leaps and bounds, and poor communities across the country became ever more actively involved in solving their own economic and social problems. In 2000, to better serve this growing community movement, UCDO was merged with the Rural Development Fund to become the Community Organizations Development Institute (CODI). As an autonomous entity, with a special status as an independent public organization (under the Ministry of Social Development and Human Security), CODI had greater freedom and flexibility than conventional government agencies, and could greatly expand the scope of its work, directly access public funds from annual fiscal budgets and partner with a greater variety of public and civil organizations. CODI's chief tool was flexible finance, which came from its revolving loan fund, which by 2015 had grown to \$200 million. With this capital resource, CODI gives loans to communities and networks for housing and land, holistic development, community businesses and natural resource and environmental development projects. CODI also gives revolving fund loans to savings groups and CDFs to strengthen their financial capacity.

CAPITAL IN THE CODI FUND	
• Total capital	\$200 million (100% gov. funds)
LOANS FROM CODI (1992-2016)	
• Land and housing	\$171 million (150,048 hh)
• Livelihood	\$16 million (50,000 hh)
• Other purposes	\$18 million (15,000 hh)
GRANTS FROM CODI	
• Baan Mankong	\$193 million (97,672 hh)
• Welfare	\$86 million (4.2 million hh)



Community finance comes of age in the **Baan Mankong** program . . .

In 2003, the savings and credit process got a big boost when CODI's Baan Mankong Program was launched - a national housing program which channels government funds, in the form of infrastructure subsidies and soft housing and land loans directly to urban poor communities, which plan and carry out improvements to their housing, environment, basic infrastructure and tenure security and manage the budget themselves, in collaboration with their local governments and as part of citywide slum upgrading plans. The Baan Mankong Program required communities to organize savings groups and collectively save at least ten percent of the amount they propose to borrow from CODI for their housing project. The savings groups were also crucial financial management systems in these informal communities, which enabled them to collectively and transparently manage large, complex and sometimes arduous housing projects and project budgets - and later loan repayments.

In order to legally secure their tenure, through collective ownership or lease-hold of their land, most communities doing Baan Mankong projects register themselves with the government as cooperatives. The legal status and formal recognition that comes with being a cooperative means poor communities have to follow some cumbersome government rules and regulations and submit to yearly audits, but it also entitles them to technical assistance from various government agencies, and strengthens their organizational capacities.



BAAN MANKONG FIGURES (2016)

- **PROJECTS:** 1,903 communities (in 345 cities, in 76 provinces)
- **FAMILIES:** 97,672 households
- **GRANTS:** \$193 million (for infrastructure development, housing subsidies, process support)
- **LOANS:** \$178 million (to 35,169 households)

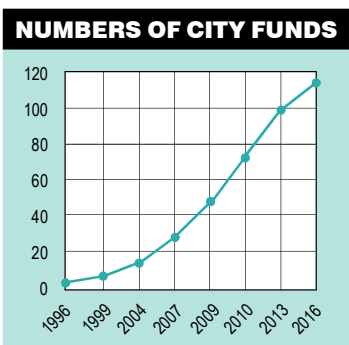
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WHY THE NEED FOR CITY FUNDS? Thailand is the rare country with a strong and progressive national support system for its people-driven development movement, in the form of CODI. But one of the drawbacks of having a government organization like CODI, which offers such easily-accessible financial support for poor people's housing and other development initiatives, on such a wide scale, is that communities may start feeling a little complacent. By 2007, there were active community networks in most of the 300 or so cities then involved in the Baan Mankong Program, with several thousand communities linking together and doing many things together. But what these communities hadn't done was build any kind of development fund of their own, at city or district level, as so many other Asian cities (without CODIs) were trying to do. The community savings groups in those cities were still scattered, had no financial links with each other, and there were no city-based funds which mobilized people to put their community savings funds together or to establish their own financial mechanisms.

Then in 2008, CODI reached a difficult milestone when all the money in its \$80 million revolving loan fund had been given out in loans to community housing projects. The well had run dry. Although it later managed to negotiate additional budget to supplement the fund, CODI still faced a big problem: the real scale of Thailand's national community housing and development was just too big for the CODI fund to finance alone. The funding crisis at CODI, which slowed down the national upgrading process for over a year, made community networks all over Thailand realize that even CODI - like all government programs and institutions - is vulnerable to the fickle whims of national politics, and that there are good reasons for communities and for networks to begin developing strong, independent financial mechanisms which they can control themselves, right there within their own constituencies. Several national meetings were convened to discuss this crisis and to begin exploring ways for networks and communities in each city to find ways to stand on their own feet, as much as possible. City-based community development funds, which link together all the savings groups and housing projects in one city (or within a workable constituency) are not just a way of making locally-controlled financial systems for the poor, but of pooling local resources, strengthening relations between the poor and their local governments, and pulling other poor communities in the area to join together and to start their upgrading process.

WELFARE IS THE STARTING POINT: For several years, many urban community networks around the country had been running their own community welfare funds, to which savings members contributed one baht a day, or 30 baht (\$1) a month. Most urban poor community members cannot access any of the government's social welfare programs, and for them, these community-funded and community-managed funds provided badly-needed help in times of need, when there were births and illnesses and when someone died. In 2009, the government recognized the potential in this people-driven welfare movement and initiated a policy of supporting them, in which local governments would match the amount contributed by people, to double the funds' capacities. Apart from these welfare funds, some networks had set up other kinds of community funds for members to contribute to as well - housing savings funds, children's savings funds and environmental savings funds. All these funds gave community members more ways to save, more ways to participate, and more ways to build community-based systems for looking after their immediate needs, using their own pooled resources.



FIRST CITY FUNDS SET UP IN 2009: The first city-based CDFs in Thailand were set up in 2009, by two pioneering community networks in the northeastern town of Chum Phae and in Bangkok's Bang Khen District, where the smaller funds these networks had already been running were brought together under one umbrella and topped-up with small capital seed grants of \$30,000 each, from ACHR's ACCA Program. Five more CDFs followed in 2010, in Rangsit, Ubon Ratchatani, Hua Hin, Nakhon Sawan and Koh Khwang (also supported with ACCA seed grants of \$20,000 each). From there, the city fund concept was taken up enthusiastically by community networks and spread across the country. CDFs are now fully functioning in 116 cities. Some of these CDFs emerged as expansions of already-established citywide welfare funds, and some were started by networks of experienced veterans of Baan Mankong housing projects. Most of the CDFs are area-based (covering communities in one city, urban district or province), but there are also a few issue-based networks (covering communities facing common problems of eviction, land tenure insecurity or homelessness) with their own CDFs.



A NEW TOOL FOR COMMUNITY NETWORKS: The CDFs are the most recent addition to Thailand's community finance portfolio, and they give the country's community-driven development movement a more autonomous and more city-oriented financial tool, and add a new dimension to the considerable support already available to communities from CODI. By linking community savings groups and various network funds in a city together, the CDFs give community networks more flexibility in how they respond to urgent needs within their city. These new city funds are not only providing housing and land loans (including loans to those who may not qualify for CODI loans), but also financing livelihood, welfare and disaster projects and supporting stateless persons. Besides making communities stronger and better able to determine their direction, the city funds are helping to strengthen their relationships and collaborations with local authorities, leading to a more citywide, more locally-driven, more long-term and more partnership-based process of solving problems of poverty in those cities. As one community leader put it, "These funds make us more independent, more strong. The government can't reject our proposals, because they are being financed by our own funds!"

63 CDFs in the study (figures in US\$)

SAVINGS LINKED TO 63 CDFs

- Total number of members 66,755 members
- Number of savings groups 596 groups
- Total savings \$1.4 million

CAPITAL IN 63 CDFs

- Member shares \$631,428 (19%)
- Member savings in CDF \$480,000 (15%)
- Welfare funds \$662,857 (20%)
- House insurance funds \$131,429 (4%)
- From CODI + other donors \$1.28 million (39%)
- Interest income + other \$88,571 (3%)

TOTAL CAPITAL \$3.27 million

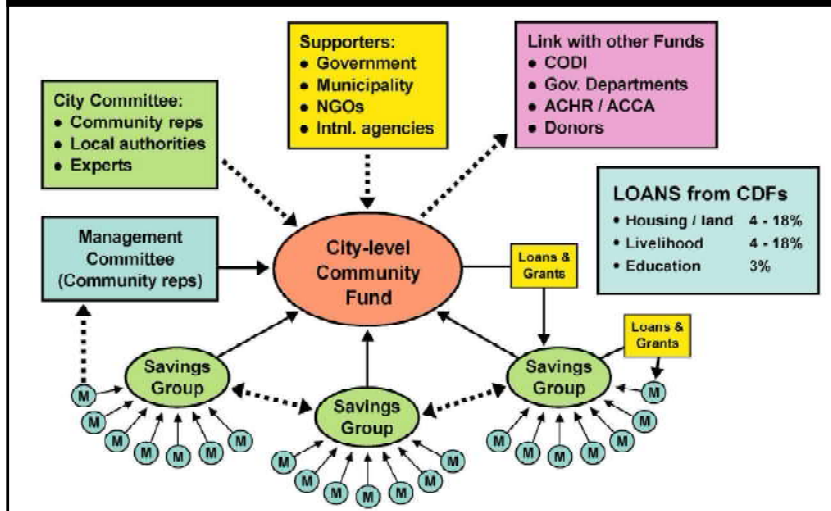
LOANS FROM 63 CDFs

- Housing \$4.2 million (5,011 hh)
- Income generation \$69,628 (347 hh)
- Other purposes \$91,166 (2,719 hh)
- TOTAL loans \$4.36 million (8,077 hh)

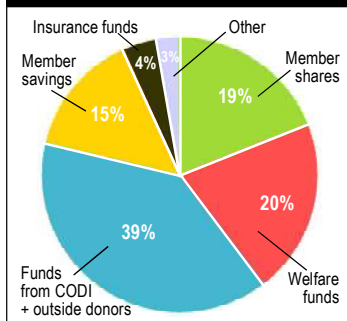
GRANTS FROM 63 CDFs

- Welfare \$561,678 (5,307 hh)

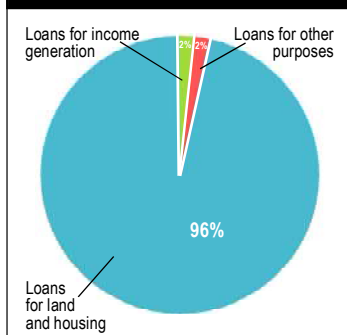
STRUCTURE: City-Level CDFs in Thailand



CAPITAL in the 63 CDFs



LOAN AMOUNTS in 63 CDFs



■ **63 CDFs IN THE STUDY:** The CDF study in Thailand was carried out by members of the national urban community network (NULICO - National Union of Low Income Community Organizations), with documentation and translation support from a team at ACHR. As part of the study in Thailand, 63 of the 116 city-based CDFs established so far were selected to be surveyed. The selection of the 63 CDFs was carefully made to demonstrate a variety of constituencies, management styles and partnership arrangements. A few of them were chosen to be studied in greater detail, as case studies.

■ **TWO COMMITTEES:** Each CDF is managed by a committee which includes community members and network representatives, and each CDF decides how to manage its operations. The CDF committee sets all the regulations for the city fund, including loan priorities and terms and accounting procedures, and usually set up sub-committees on housing, infrastructure, welfare, information and social issues. Most cities with active CDFs also establish a parallel city committee, which brings together community and network leaders with representatives from the local government, NGOs, universities and other stakeholders. The city committee and CDF committee work closely together, and both usually meet once or twice a month. This two-part structure expands opportunities for collaboration and understanding, while at the same time preserving community control over the funds. In these ways, the CDFs, which have no legal status as yet, are recognized and supported by the authorities.

■ **NO FIXED RULES:** There is no single template for the operation of a CDF in Thailand, where people tend to get itchy when rules and structures are imposed from outside. Each city network has complete freedom to decide how to manage, according to the needs and conditions of communities in that city. As a result, each CDF is a unique community institution: different sizes, different collections of funds, different loan terms, different projects, different committee compositions, different strategies for relating with local authorities. The CDFs give both loans and grants, for housing, land, welfare, income generation, community enterprise and other purposes. Each CDF sets its own interest rates on loans (between 4% and 18%), but all follow a system of using a portion of the interest income to finance their operations and network activities, to make themselves more self-sustaining.

Thai CDFs: Separate funds operating under one financial roof . . .

Most of the Thai CDFs are composed of several distinct funds, for specific purposes (such as housing, welfare, insurance, livelihood and upgrading), which have been brought together under the umbrella of one city-level CDF. In most, these funds are all kept financially separate, with separate community contributions, separate membership, separate accounts and audits, but managed by a single committee, made up of representatives from the communities and networks that are members of the CDF. The funds common to most of the CDFs are:

- **SAVINGS FUND:** Each community member of the CDF saves an agreed-upon portion of its internal savings in the CDF every month. The survey found that most communities save at least 15% of their savings (as a community, not individually) in the CDF, with amounts varying from \$15 to \$30 per month. Members also invest shares in their CDF. Because these shares can't be withdrawn, the fact that almost 20% of the total CDF capital comes from shares shows how much trust people have in their CDFs.
- **WELFARE FUND:** All the CDFs in the study have welfare funds, and most were seeded - and continue to be funded - by community members, who usually contribute one-baht-a-day (about \$1 per month) to these funds, which provide a variety of benefits, "from birth to death." The government also contributes to these funds, through local authority matching grants.
- **HOUSING INSURANCE FUND:** Most communities that have completed Baan Mankong housing projects contribute to this special insurance fund (200 baht per year per family, of which half stays in the CDF and half goes into the national fund), which covers the housing loan repayments of families when a disaster strikes (floods, fires) or a bread-winner dies or gets sick, and the family can't make the payments and is in danger of losing their house. CODI also contributed the original \$670,000 seed capital to start this insurance fund.

A few details about **three CDFs** in the study



1 BANG KHEN DISTRICT: This densely-packed inner city district in Bangkok has a community network with a long and distinguished history of community savings, sophisticated settlement surveying and mapping, analyzing of future development projects and their effect on poor communities in the district, yearly canal cleaning, and negotiating the country's first long-term collective land lease which is allowing 13 canal-side communities to undertake a huge project to rebuild 3,000 houses on the public land where they had been squatting. They launched their fund in 2009, with a grant of \$30,000 from ACCA, \$394,000 of their own savings and a \$110,000 contribution from the district authority.

The Bang Khen District fund gives loans mostly for house construction and repairs, but also for livelihood, education, repaying informal debts and bridge financing for communities waiting for CODI loans. The fund loans only to communities (not to individuals), at 4% interest. Half the interest income goes back into the CDF, while a quarter goes into the district-wide welfare fund and another quarter supports network activities and operation costs. Communities add a 3% margin when they on-lend to members, so individual borrowers pay 7% interest on loans. Communities use that 3% margin to cover unsteady repayment problems and to support their own welfare funds and community activities. The fund also gives grants for environmental improvement projects. The fund is managed by a committee of network and community leaders, but works closely with the Bang Khen District's city committee, which has representatives from the Treasury Department, the Provincial Electricity Authority, the state-owned telecom company and the local police sitting on the committee with community and network leaders.



2 CHUM PHAE: This small manufacturing city in the rice-growing region of northeastern Thailand has attracted increasing numbers of poor rural migrants looking for work in the town's tapioca and gunny-sack factories, or in its sweat shops making shoes and clothing. Like bigger cities, Chum Phae has all the usual urbanization problems, though on a much smaller scale: rising land prices and housing costs and increasing commercial pressure on urban land - all leading to problems of eviction and a shortage of affordable housing. Since 2004, the town's strongly women-led community network has organized savings, carried out citywide surveys of slums and scattered squatters and room-renters, and worked with the local authorities, other stakeholders and CODI to develop citywide plans to construct a series of innovative and low-cost housing projects - some *in-situ* upgrading and some relocation to free government land. By 2005, some twelve housing projects had been finished, and Chum Phae is well on its way to becoming Thailand's first city to achieve 100% secure housing for all.

Besides housing, this network has done a lot of innovating: a children's savings scheme, a communal rice farm to support the elderly and almost 100% community membership in savings. The network's CDF, which was launched in 2009, gives loans mostly for land-buying and house construction and repair, but reserves 22% of the capital for loans for occupation, education and repaying informal debts. The fund's first loan went to a squatter community of 293 families to buy new land. The fund also gives grants to subsidize the house construction of extremely poor families, to enable them to join the upgrading projects in their communities. Members can borrow up to \$4,500 for house construction or up to five times their "shares" in the fund, at 4% interest. Loans of up to five times their "shares" for income generation go at 6% and are repayable in five years. 35% of the interest earned on loans goes back into the fund, 25% into the citywide network welfare fund, 35% supports network activities and 5% goes back to members as a yearly dividend. The fund is managed by a committee of community and network leaders, with good support from the municipality and local architects and accountants.



3 BANG BON DISTRICT: This little district, out on the western edge of Bangkok, is one of the least urban of Bangkok's 50 districts, and is still famous for the mangos, coconuts, orchids and lotus flowers that are farmed here. The Bang Bon District community network launched its CDF in 2012, with a housing security fund that was tied to two communities that had completed Baan Mankong housing projects. Later, the communities felt the need for a welfare fund, which was then added to the CDF and played a big role in strengthening the fund and broadening its membership (which started with two communities and 245 members and has grown to 20 communities and 2,050 members). The CDF now has a capital of \$53,000 (half in the housing fund and half in the welfare fund), which is not kept in the bank, but is in constant circulation in loans. The fund gives flexible, short-term loans of up to 20,000 baht (\$570) for income generation and repaying informal debts, including one loan to start a community mushroom-growing enterprise in the Ekachai 13 community. Loans go only to community savings groups (not to individuals), which manage the loans and repayments. All loans from the CDF are given at 18%, and the communities add 6% on top of that, so individual borrowers pay 24%. Those interest rates seem high, in the Thai context, but the community members set that rate so that the fund will grow, and see the CDF as a sharing and learning supplement to the main financial mechanism, which is the community savings groups. The fund is managed by a committee which meets monthly (each time in a different community) and includes two revolving representatives from each of the 20 member communities.



THAILAND: Community finance at work



1 CITYWIDE SLUM UPGRADING: Poor communities in 345 cities all over Thailand are now upgrading their housing, land tenure, environment and infrastructure through CODI's Baan Mankong citywide upgrading program. Almost 2,000 projects are already finished and hundreds are underway. In this national program, which channels infrastructure subsidies and soft housing and land loans directly to community cooperatives, people are the owners of the upgrading process. What tools create that ownership? Accessible, flexible finance that goes directly to communities is one, and the supporting partnership of community networks, local authorities and other local development actors is another. But one of the most important tools is the community savings group, which works as a binding mechanism in communities undertaking complex upgrading projects. In a society which is becoming ever more individualized, poor people on their own don't stand a chance. The collectivity of their communities is an important survival mechanism, which helps people meet needs and resolve problems they can't resolve individually. To strengthen this *collective force*, the Baan Mankong Program makes every aspect of the upgrading process collective, as much as possible. And the first step is a collective savings group - a requirement for joining the program and accessing CODI loans and subsidies, which have helped 97,672 families get secure land and housing so far.



2 POST DISASTER REHABILITATION: Sadly, Thailand continues to have a lot of disasters - floods, fires, landslides, storms - and community savings and funds play a big role in how the poorest affected communities deal with them. For people who have lost everything in a calamity, shelter, food and medicines are just one step in a long, difficult process of putting their lives, communities and survival systems back together again. Instead of waiting for a relief agency or government department to decide what they need and what they should do, many communities have found ways to conjure out of tragedy some opportunities, not only to rebuild their houses and revive their livelihoods, but to use their people power to make their lives, communities and tenure more secure, more healthy, more life-sustaining than before the disaster. The 2004 tsunami makes a good example. Here's the word of Maitree Jongkrajug, the Community Bank leader from the devastated Baan Nam Khem village: "Right away, those of us who were staying in the relief camp at Baan Nam Khem started working on longer-term issues of rebuilding our livelihoods. We started savings groups and set up a revolving loan fund - initially using some donor money but later using our own earnings - so that people who didn't have anything to do or any means of earning could start a variety of income generation projects. The savings groups were a very good starting point for people to collectively deal with problems of lost jobs, but also with problems of land and houses. The savings group gets traumatized people to start solving their problems right away, even when in this very bad situation, where they've lost everything."



3 COMMUNITY WELFARE: All 116 of the city funds in Thailand so far have special funds for welfare, and for some CDFs, welfare is their main project. Of the 63 CDFs in the study, welfare accounts for only 12% of the total CDF capital (\$394,950), but it has benefited the greatest number of people (5,664 people). These welfare funds are the latest chapter in a long story of how Thailand's poor communities are keeping alive the country's very old culture of mutual assistance and finding ways to provide basic social safety net protection to their own most vulnerable members, through systems they develop and manage themselves. Community-based welfare started 12 years ago, when community networks around the country recognized a need, met nationally to discuss the issue and set welfare as an important point in their national agenda. The first welfare funds were started by poor communities themselves, with their own money, and communities across the country agreed that each member would contribute one baht a day (\$1 per month) to their welfare funds - a sum everyone could afford. In 2005, CODI supported these efforts with seed grants to help set up subdistrict-level welfare funds which take care of everybody - covering such things as medicines, hospitalization, elderly, handicapped, scholarships, HIV and even schemes to promote good health. By 2007, community-driven welfare had become national policy and spread to all 76 provinces, and the welfare funds were getting matching grants from local authorities. When the CDFs started forming, it seemed natural to bring this community-managed welfare process under their umbrella. (*More on page 63*)



4 HOUSING INSURANCE: Since it was launched in 2003, CODI's Baan Mankong Program has helped 97,672 poor families get secure land and housing. All those houses were financed by loans from CODI, and with such a big scale, it's no surprise that some people have faced difficulties repaying their housing loans, when a bread-winner dies or gets sick, or when some disaster damages the house, leaving their family's tenure and housing in danger. So in 2010, a new scheme was launched in which networks of community borrowers around the country are the owners and operators of a national housing insurance fund. CODI seeded the fund with a \$670,000 grant, and each family that takes out a housing or land loan from CODI contributes 200 Baht (\$6) per year to the fund. Half the funds are kept at the national level, and half go into city-level housing security funds, which are managed by the urban community networks, under the umbrella of their CDFs. Now, if there are problems which prevent a community member from making loan repayments to the cooperative (like illness, loss of jobs, accidents, death or disasters), and if the community determines that nobody else in the family is earning enough to make the payment, then the insurance fund will cover the repayments, and keep the family in their house and in the community.