DOCTOR OF BUSINESS ADMINISTRATION

Document Five

Challenges of Housing Finance in Nigeria:
The Federal Mortgage Bank of Nigeria (FMBN) Experience

By

Boyi Ibrahim Barhama

Document 5 submitted in partial fulfilment of the requirements of the Nottingham Trent University for the award of a Doctorate Degree in Business Administration

December 2019

DECLARATION

This is to certify that this thesis has not been submitted in part or whole as paperwork for a degree at any other university or institutions of learning. This work is the intellectual property of the author. You may copy up to 5% of this work for private study, or personal, non-commercial research. Any re-use of the information contained within this document should be fully referenced, quoting the author, title, university, degree level and pagination. Queries or requests for any other use, or if a more substantial copy is required, should be directed in the owner(s) of the Intellectual Property Rights.

Ibrahim Barhama Boyi

ACKNOWLEDGEMENTS

All praise due to Almighty Allah for a successful accomplishment of my DBA. My unreserved appreciation goes to my supervisors, Dr Mohammad Faisal Ahammad and Dr Thao Nguyen for their guidance, positive direction and for making me to reason in different ways.

My unreserved appreciation and gratitude go to my uncle Alhaji Tanko Isiyaku Gwamna who doubled as a father and contributed immensely in the pursuit of my academic career. I shall forever remain grateful for all your support. To my Mother Hajiya Talatu Isiyaku Gwamna for her prayers, love and support.

To my wife Dr Hussaina, I want to thank you for your kind support and for believing in me that I will achieve this milestone despite the huddles within the research journey. May Allah bless and reward you with all His bounties. To my little twins Muhammad and Aisha, a challenge has been thrown to you and we hope to see you shining more than your parents. I thank you for your love.

I also wish to thank Dr Haruna Moda for his intuitive discussions and support during this period. My gratitude also goes to my friends and colleagues in FMBN for their support and kindness. I wish to finally acknowledge the entire Boyi's family members for their constant love.

DISCLAIMER

The content of the document should not be reported as representing the views of Federal Mortgage Bank Nigeria (FMBN). The views expressed are those of the author and do not necessarily reflect those of the Federal Mortgage Bank Nigeria.

ABSTRACT

With a population of 197 million inhabitants, Nigeria is the most populous nation in Africa. The contribution that housing makes to the socio-economic development of an economy is significant. Despite this assertion, there exists a housing deficit of 17 million in the country. The gap between demand and supply for housing is wide owing to several challenges encountered in providing mortgage to low and middle-income earners that form the majority of prospective beneficiaries of the home ownership scheme initiated by Federal Mortgage Bank of Nigeria (FMBN).

This study examined the challenges encountered in the Nigerian housing industry by determining the affordability of individuals in terms of access to the National Housing Fund (NHF) loan and further explored a cost-effective means to providing affordable houses to low and middle-income earners. In addition, the work made effort towards determining the effectiveness of the strategies presently used by the bank (FMBN) in creating mortgages and its existing model for housing finance in Nigeria. The need for this research developed because of the high level of housing deficit in the country and the insufficient attention given to empirical research on housing finance in Nigeria. This research used qualitative study approach by conducting eleven semi-structured interviews with key officials and Chief Executive Officers within the Nigerian housing industry supported with archival records of the housing industry in the country to advance ways by which the lending bank can operate efficiently.

Results of the study revealed that key challenges facing the industry were classified into three broad themes namely; financial, procedural and structural challenges. The financial challenges highlighted the constraints (low capitalisation) encountered by FMBN in successfully delivering quality and affordable houses to low and middle-income earners. The procedural challenges emphasise the difficulties (stringent processes) that NHF applicants experience in the process of obtaining mortgage loans. While the structural challenges describe the problems associated with the quality and the standard of the buildings provided by estate developers.

Another key finding is the high level of political interference in the housing sector which had greatly impacted on the nation’s housing delivery. In addition, the institutional structure of FMBN is also flawed with loopholes such as the lack of Information Technology (IT) integration, lack of involvement of major stakeholders in the executive management of the Bank and a need to review the existing regulatory framework. To meet the housing delivery target set by the government, it is recommended that reform of the Housing Act and restructuring the housing industry will help in the needed redress within the industry.

TABLE OF CONTENTS

List of Figures:

List of Tables:

ABBREVIATIONS

ABS	Asset Backed Securities
AGM	Assistant General Manager
BOQ	Bill of Quantity
BOI	Bank of Industry
BUMPAN	Building Materials Producers Association of Nigeria
BVN	Biometric Verification Number
CAC	Corporate Affairs Commission
CAP	Credit Appraisal Proposal
CBN	Central Bank of Nigeria
CEO	Chief Executive officer
CH	Cooperative Housing
CHDL	Cooperative Housing Development Loan
C of O	Certificates of Occupancy
CRI	Collateral Repayment Indemnity
DBA	Doctor in Business Administration
DG	Director General
DGM	Deputy General Manager
DMO	Debt Management Office
ED	Estate Developer
EDL	Estate Development Loan
FCT	Federal Capital Territory
FCTA	Federal Capital Territory Authority
FDI	Foreign Direct Investment
FEC	Federal Executive Council
FG	Federal Government
FGSHLB	Federal Government Staff Housing Loans Board
FHRL	FMBN Home Renovation Loan
FIRS	Federal Inland Revenue Service
FMBN	Federal Mortgage Bank of Nigeria
FMFL	Federal Mortgage Finance Limited
HCHDL	Housing Cooperative Home Development Loans
HCHL	Housing Cooperative Homeownership Loans

IDB	Islamic Development Bank
IT	Information Technology
MBAN	Mortgage Banking Association of Nigeria
MBB	Mortgage-Backed Bond
MBS	Mortgage Backed Securities
MD	Managing Director
MDAs	Ministries Department and Agencies
MHS	Mass Housing Scheme
MPHS	Ministerial Pilot Housing Scheme
MPR	Monetary Policy Rate
MPW and H	Ministry of Power Works and Housing
NECA	Nigerian Employers Consultative Association
NHIS	National Health Insurance Scheme
NHF	National Housing Fund
NHFL	National Housing Fund Loan
NHTF	National Housing Trust Fund
NIC	National Insurance Commission
NLC	Nigerian Labour Congress
NMRC	Nigerian Mortgage Refinancing Company
NPC	National Population Commission
NSE	Nigeria Stock Exchange
NSITF	Nigerian Social Insurance Trust Fund
NUP	National Union of Pensioners
PBT	Presidential Technical Board
PENCOM	National Pension Commission
PFA	Pension Fund Administrators
PMB	Primary Mortgage Bank
PMI	Primary Mortgage Institution
PPP	Public Private Partnership
PPL	Premium Pension Limited Abuja
PRA	Pension Reform Act
PTC	Presidential Technical Committee
REDAN	Real Estate Developers Association of Nigeria

REIT	Real Estate Investment Trust
R of O	Right of Occupancy
RTI	Repayment to Income
RTO	Rent to Own
SEC	Securities and Exchange Commission
SHM	Step House Model
SME	Small and Medium Enterprise
TSA	Treasury Single Account
TUC	Trade Union Congress

CHAPTER 1 INTRODUCTION

1.1 Background

This Chapter presents the context of this research. As part of the chapter, it discussed the study rationale and its importance. Further to this, outline of the research aim and objectives were presented to provide an overview of the underlying issues discussed in this study. The initial conceptual framework of the study was also briefly presented.

1.2 Research context

Housing is a key socio-economic need that determines the well-being of individuals (UN-Habitat, 2019). The UN Habitat explains that almost 40 percent of the global population will need safe quality houses by the year 2030 (UN-Habitat, 2019). Its importance is comprehended among governments of many nations and policymakers (Abd Aziz et al., 2011; Nubi, 2015; Alabi, 2018). As housing has been recognised as fundamental to human life, national and states governments have been in various discussions on methods to provide affordable houses to low and middle-income earners of the society (Daud et al., 2017). The importance of housing options can be dynamic in terms of several wellbeing measures. Its availability has impact on employment, household income, accessible infrastructural facilities, health, poverty rate, women empowerment, maternal and child mortality, among others (Gopalan and Venkataraman, 2015). Despite its dynamic impact, access to affordable housing has been an ever-growing challenge especially in developing countries, which has incited housing deficit (Samad et al., 2017). The growing house prices and the issue of unaffordability of existing houses especially in major urban areas have become a critical issue in developing countries including Nigeria (Wapwera, 2014; Nubi, 2015; Daud et al., 2017). Hence, housing demands and low supply have become pressing national issues.

In developing countries, regulatory authorities mostly oversee the provision of housing. However, in Nigerian context the Federal Mortgage Bank of Nigeria (FMBN) is the sole government agency that has the responsibility for the provision of affordable housing through mortgage finance to Nigerians. Currently, about 5 million Nigerians are registered contributors to the National Housing Fund (NHF) platform and at the first quarter of 2019, the NHF mortgage loans approved by FMBN totaled 30,309 among the teaming applicants of which, only 20,263 applications were disbursed. This clearly reveals a deficit of over 10,000 applications and further bring to light the issues affecting housing finance in Nigeria.

Review of present data regards the number application received and number of housing disbursement reveal a higher yearly deficit during the reporting period (Table 1.1).

Table 1.1: Summary of NHF housing deficit from 2014 to 2019

YEAR	APPLICATIONS		DISBURSEMENT		DEFICIT	
	APPLICANTS	AMOUNT [₦]	BENEFICIARIES	AMOUNT [₦]	NUMBER	AMOUNT [₦]
2014	2,147	18,179,774,014.44	1323	7,836,983,504.00	824	10,342,790,510.44
2015	1,588	13,091,110,222.37	1164	7,775,006,643.74	424	5,316,103,578.63
2016	662	5,118,901,300.75	646	4,191,953,440.03	16	926,947,860.72
2017	2,987	21,656,626,184.49	1269	10,097,210,531.10	1,718	11,559,415,653.39
2018	2,504	23,315,907,038.90	1956	13,943,379,186.82	548	9,372,527,852.08
2019	2,522	28,141,884,823.85	778	6,274,336,232.57	1,744	21,867,548,591.28
TOTAL	**12,410**	**109,504,203,584.80**	**7,136**	**50,118,869,538.26**	**5,274**	**59,385,334,046.54**

Source: FMBN Strategy and Performance Management report (2019)

In addition, housing applications and disbursement of loan applications to beneficiaries from 2014 to 2019 as reported in table 1.1 above, showed a deficit of N59 billion, needed to address housing deficit. Based on the aforementioned, it does impact on the target set by the Nigeria's development strategy, Vision 2020 focus on housing construction which has projected 700, 000 units required per year as needed in other to keep up with growing population and urban migration in the country (Table 1.2).

Table 1.2: Vision 20: 2020 Housing Requirements

Year	Houses to be built Nation-wide	Average number of homes per state
2012	500,000	12,500
2013	600,000	15,000
2014	720,000	18,000
2015	864,000	21,600
2016	1,036,000	25,920
2017	1,244,000	31,104
2018	1,492,992	37,325
2019	1,781,590	44,790
2020	2,149,908	53,749

Source[1]

At an average cost of about US$50,000 per house, the annual required investment in housing in the country amounts to about US$57.8 billion. Meanwhile the current funding from

[1] A report of feasibility study on the establishment of a secondary mortgage institution in Nigeria, submitted to the Company for Habitat and Housing in Africa (Shelter-Afrique) by Policygnosis International Policy & Financial Advisory USA July, 2011.

housing financiers was reported as US$2 billion per year, leaving a funding gap of over US$55 billion per annum to which the funding gap will be difficult to be met by the mortgage institution (Shelter-Afrique, 2011). The success of secondary mortgage institutions in USA, India, Malaysia, and Egypt has been due to the ability of the institutions to leverage external financing, thus the ability to leverage large external financing will be a key success factor in the Nigerian secondary mortgage industry. The Nigerian Government commitment towards housing provision is evident in the decline in the number of Primary Mortgage Banks (PMBs) licensed and number of loans provided this far (Anyanwu, 1991; Makinde, 2014; Nwamara and Aronu, 2014). Further to this, national and international economic trends, interest rate, price stability, and exchange rate are viewed as playing significant role on housing finance which in turn determine the vibrancy of a nation mortgage market (Warnock, and Warnock, 2008; Ahiadorme, 2016; Agnello, Castro and Sousa, 2019).

The prevailing macroeconomic climate in any nation is seen as playing a major role in the country's ability to service the housing financial market and promote sustainable housing to its population. Hence, the need for policy makers to make proactive effort at providing conducive environment that will simulate housing market and housing finance (Warnock, and Warnock, 2008; Ahiadorme, 2016).

The Nigerian economy in year 2018 was shaped by a confluence of global developments that include weak financial market sentiment; a broadly accommodative global financial condition; trade policy uncertainty; a pickup in crude oil prices, as well as, the monetary policy normalisation in the advanced economies (CBN, 2018). Housing markets are frequently mentioned as important leading indicators of overall macroeconomic activity, and home ownership is a measure of household wealth and GDP distribution. Hence, Macroeconomic instability and its consequence of high and volatile domestic interest rates have a disproportionate influence on long-term mortgage finance especially in developing nations such as Nigeria (Anyanwu, 1991). Investment in housing accounts for 15% to 35% of aggregate investment worldwide, compared to 0.4% in Nigeria. It is evident that Nigeria has not yet achieved its real estate sector's potential. Review of the nation housing contribution in 2018, the sector contributes 6.50 percent to the country's GDP in Q3 2018 compared to 6.83 percent in the second quarter of 2017 (Shelter-Afrique, 2011; Alagba, 2017; Okwu et al., 2017; Okafor, 2019). To conclude, inflation, per capita GDP and exchange rate are important macroeconomic determinants that impact upon the housing market performance in Nigeria.

1.3 Brief overview of previous documents

Drawing from documents 3 and 4, the alternative to equity/deposit contribution can ease the challenges individuals/estate developers are having in accessing mortgages/housing finance. The availability of houses at affordable rates to low and middle-income earners will create more access to mortgage loan (Adedeji and Olotuah 2012; Nwuba et al., 2018). In sub-Saharan Africa, it is a challenge to provide homeownership for mortgage creation, which become a problem for most developed countries (Akeju, 2007; Nkechi et al., 2018).

Provision of housing in Nigeria over the past years has been burdened with a profusion of difficulties to low and middle-income earners who constitute the majority of the population in the country. Fundamental to this is the lack of access to housing finance by this segment of the society (Adedeji and Olotuah 2012; Nwamara, and Aronu, 2014; Okafor, 2019). Hence the need for further study to be undertaken around how the low and middle-income earners would have easier access to mortgage in Nigeria using the available housing finance options is considered. The results are captured in documents 2, 3 and 4. It is against this backdrop that document 5 was structured.

The literature review in document 2 focused around the paucity of information on housing finance and how individuals can access mortgage at affordable rates in Nigeria. One of the most important highlighted issues in the literature is high deposit, affordability, low interest rate and difficulty accessing mortgage finance. The semi-structured interview and survey reported in documents 3 and 4 revealed various issues considered in the literature review that helped to draw on the study major findings, which has been presented in chapters 3 and 5 of the study.

At its inception, the housing/mortgage system in Nigeria is expected to achieve the following roles; Mobilise contributors' savings into mortgage institutions to finance mortgages; Distribute the allocation of loanable funds among homeowners, including self-employed, low and middle income earners; Provide a window for the capital market to finance housing development; Provide a policy road map for the allocation of fund between the secondary mortgage market, primary mortgage banks and other sectors of the economy; Stimulate appropriate regulations in housing construction and Simplify the flow of national and global resources to prioritise housing types (Adeniji, 2009). However, based on available studies it revealed that the housing finance in Nigeria is still been practiced at a micro level. To operate an acceptable mortgage system there is the need to address issues around; Inadequate funding/shortage of long-term funds, infrastructure, the need to revamp the legislation, high inflation rate and nominal interest rate, perfection of loan mortgages, non-remittance/participation in the NHF program, non-contribution by banks and insurance companies and unavailability of serviced plots (Adeniji, 2009). The findings from the previous documents 3 and 4 revealed that housing system in Nigeria has a lot more redressing to be done in order to achieve the desired goals of individuals in having access to affordable homes.

Finding contained in Document 1 concluded that the operations of mortgage services in the country lacked clarity. This is partly due to difficulties in policy implementation alongside prevailing political climate that both dictates the success and procedures in which mortgage housing finance is been implemented in Nigeria. In addition, the cumbersome process of obtaining mortgage-housing loan is seen as complex as such it tends to slow the mortgage services in the Nigerian economy. As such, the housing deficit stands at about 17 million housing units (Ugochukwu and Chioma, 2015). Based on the aforementioned, the following was proposed to help redress the lapses identified;

i) The FMBN and its stakeholders should be more organised and robust in their housing finance operations by adopting successful strategies used by advanced countries where mortgage operations are successful;

ii) Government should enable quality mortgage assets that will improve the statement of income and financial position;

iii) Enable a favourable environment to help with the development of appropriate guidelines on the provision of affordable housing capable of enhancing macro and micro economic activities in the country.

Document 2 presented the existing literature review to provide insight to existing housing finance practices within the context of Nigeria and its challenges. In addition, a review of the existing housing system in major developed countries and their models were also conducted. The methodology employed was systematic review of related literature on housing finance. The process of obtaining mortgage loan was further discussed. This increased the understanding and creation of mortgage finance for the reduction of housing deficit in the country. Furthermore, based on the synthesis of the literature, the conceptual framework of the study was formulated.

Document 3 addressed two research questions; 1) What are the modes of acquiring housing loans in Nigeria and, 2) What are the major difficulties encountered in acquiring loans and how does it affect FMBN?

The study was carried out using semi-structured interviews drawing from the literature review and conceptual framework. The results from the document revealed that the mode of acquiring housing loan is not any different from most developing countries as both the primary and secondary market in Nigeria need to raise funds for housing finance. In addition, the mode of acquiring mortgage loans were through employees' monthly contribution to supply the funds for housing/mortgage finance.

In addition, it was found that owning a house comes with constraints due to a number of factors that include cumbersome documentation, high interest rate, lack of equity contribution, high transaction cost, none remittances of employee contribution, and issues of collateral and information asymmetry especially in developing countries. Combination of these constraints pose a bottleneck for accessing mortgage loan in Nigeria. Finally, it was revealed that low level of liquidity by FMBN and insufficient NHF contribution by the homebuyers did affect accessibility to mortgage loan.

Document 4 also presented and addressed two research questions; 1) To what extent beneficiaries view the role played by FMBN and, 2) Is the delivery of homes acceptable to the beneficiaries of NHF in Nigeria? These questions were addressed using questionnaire survey conducted. The result revealed that the participants are highly aware of the loans provided by FMBN and believe that the NHF scheme could help to address housing needs. Further to this, the result further revealed that if capitalisation of the bank is strengthened, it will improve the capital base of the bank and help deliver affordable houses. In addition, based on participants response males have advantage over the females with regards to housing mortgage accessibility.

In addition, the survey outcome further revealed that the high deposit used as equity contribution is a major obstacle considered by the participants in obtaining housing loan.

The participants also believed that the equivalent of a percentage of their monthly salary could afford them a home rather than deposit.

It is against these backdrops from documents 1 - 4 that the rationale of the present study was formulated. The study focused on the assumptions extrapolated from the current literature, empirical studies and related research work. Hence, the present study considered a housing finance model by examining the challenges encountered in the Nigerian mortgage sector. The specific objectives in addressing the study aim would be to determine individuals' affordability, the effectiveness of strategies used by FMBN for mortgage creation, to explore a cost-effective means of housing provision, and to develop a model of housing finance. All these would be validated using a qualitative method of research.

Therefore, the study in document 5 will bring about an understanding of the challenges of housing finance in Nigeria using the FMBN experience over the years as a case study to develop the most effective practical model by considering the challenges in the housing industry.

1.4 Research aim and objectives

The study aims to develop a model for housing finance in Nigeria by examining the challenges encountered in the Nigerian housing industry. However, it should be noted that the basis for this document (5) emanated from integrating and synthesizing the findings of the two previous Doctor in Business Administration (DBA) documents (3 and 4) of the overall study. These are briefly described in the next sub-section. Meanwhile, the aim of this study (document 5) would be achieved through the following specific research objectives to which each will be evaluated from institutional perspectives.

1. To determine the affordability of individuals in terms of access to NHF loan.
2. To explore a cost-effective means to providing affordable houses to low and middle-income earners.
3. To determine the effectiveness of the FMBN strategies and processes in the arriving at mortgages administration.
4. To develop a more effective model for housing finance in Nigeria.

1.5 Research questions

In order to achieve the above objectives, the study seeks to answer the following research questions.

1. What are the strategies for, and prioritisation of housing loans?
2. What is the model of housing finance currently used in Nigeria?
3. What evidence can be deduced from industrialised countries that suggest a more effective model?

Achieved objectives from previous DBA Documents 3 and 4.

The previous documents were able to categorise the different modes of acquiring loans from Primary Mortgage Banks (PMBs). In addition, the challenges encountered in this process and by other institutions were identified and examined accordingly. The role FMBN plays in financing mortgages were ascertained. The documents also suggested the ways affordable housing delivery could be enhanced in Nigeria. Nonetheless, the data in this document (5) was collected and analysed in addressing the research questions.

1.6 Justification

According to United Nations country classification of developing countries to which Nigeria and other nations compared in the study are considered under, are both classed based on each nation's basic economic conditions. These classifications are based on each country meeting certain basic criteria for inclusion with reference to its per capita Gross National Income (GNI), a human assets index and an economic vulnerability index (UN, 2008).

The research provides a base line data for practitioners in housing, brokers and lenders as well as experts in the mortgage/housing finance, banks and financial institutions. It is intended to provide information as well for policy makers in the areas of housing finance, mortgage market and mortgage brokerage and to the academia on the challenges of housing finance in Nigeria and the FMBN as the apex Bank.

Outcome of the study provides fundamental knowledge around the challenges facing housing finance in Nigeria, which has failed as observed in the National Housing Policy of 2006 (FMBN Strategy and Performance Management report, 2019). Housing finance is an emerging subject that set out to address frequent environmental challenges. This in itself has made the concept of financing relevant to the related areas of housing finance and other allied professions.

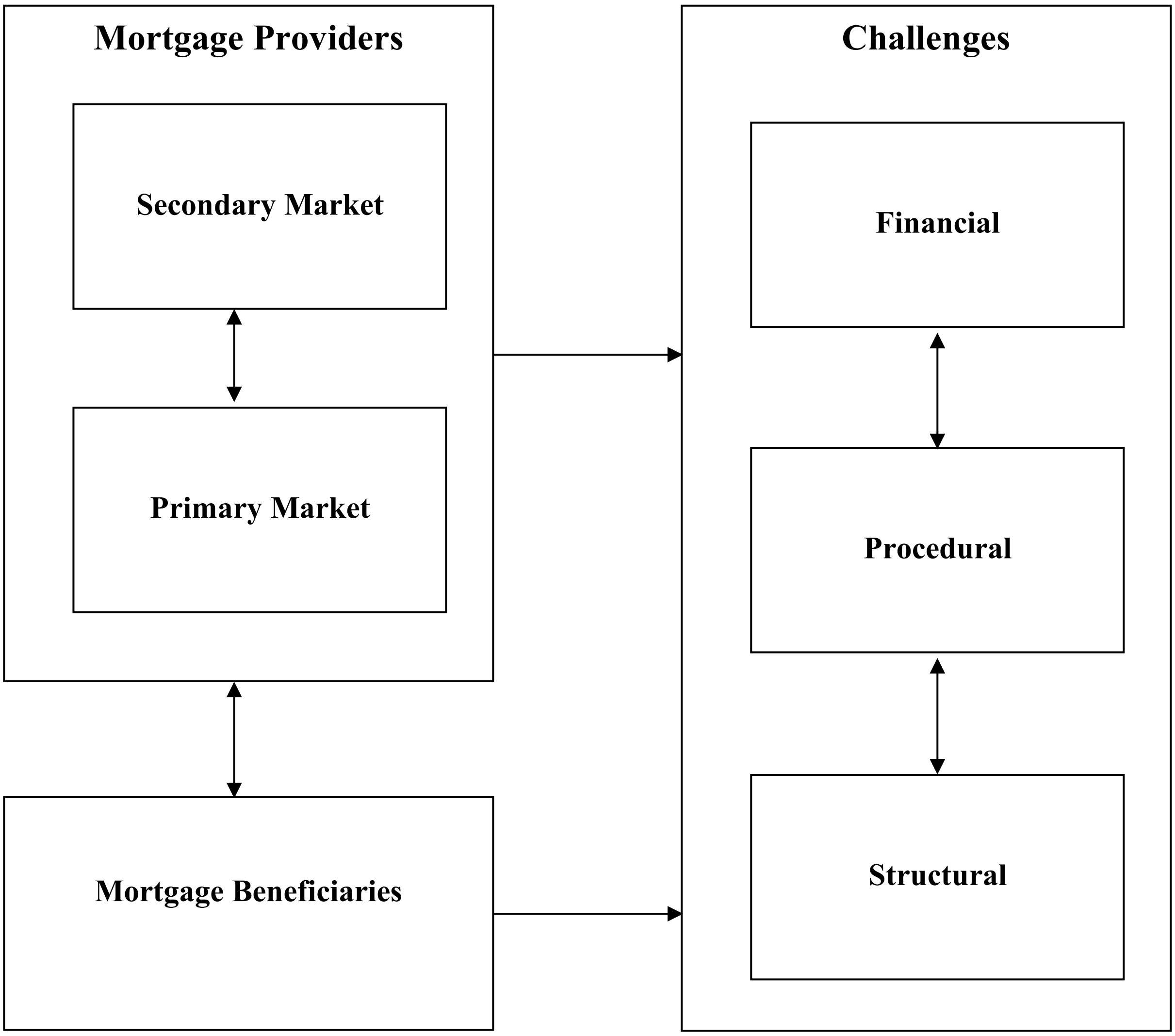
At present FMBN is applying several strategies aimed at providing efficient deployment of NHF for housing finance in Nigeria which include voluntary schemes, mandatory schemes (NHF monthly contributions) and financial transfers (Adedokun et al., 2012). Recent study has shown that since the formal market of housing finance sources is almost non-existence in Nigeria, it is then vital to seek other methods that would assist low-income population to access housing finance (Wapwera et al., 2011). In this regard, there is need to examine and suggest other methods for easy accessibility of affordable housing for individuals in Nigeria.

Further to this, due to paucity of current data around the subject, the study is considered timely as it covered knowledge gap earlier identified and promote new thinking in the area of housing finance and sustainable affordable housing delivery to cover the identified housing deficit as faced by the majority of the nation citizens.

1.7 Initial conceptual framework

The conceptual framework established in this study was based on the result of the review of literature in document 2. This was linked to the theories that explored the research objectives. The challenges of housing finance arose from the reasoning of elements and concepts in the field of housing finance. Documenting each element within the required critical review, the structure and effect of knowledge was assessed. Furthermore, the arrangement into the broad components of the conceptual framework best explained the operational level of the framework.

Figure 1.1 Initial conceptual framework of the Study



Source: Synthesis from document 4 findings (2018)

The conceptual framework in figure 1.1 above was formulated based on the outcome from result gathered in document 4. In document 3, semi-structured interviews were conducted with participants drawn from both the secondary and primary market. For the secondary market, interviews were carried out with the Management staff of FMBN, specifically the Assistant General Managers (AGMs) and Deputy General Managers (DGMs). While the Chief Executive Officers (CEOs) of various Primary Mortgage Banks (PMBs) represented the interviews for the primary market. In document 4, surveys were conducted by distributing questionnaires to NHF contributors. The questionnaire was designed in line with the outcome of the analyses of document 3, the existing literature and conceptual framework.

The outcomes of the findings from documents 3 and 4 revealed the following:

1) High borrowing cost of mortgage loan.
2) Individuals could not afford the required equity contribution.
3) Lack of transparency in processing mortgage loan application.
4) High fees/charges from mortgage banks.
5) High level of individual reservation toward FMBN housing services.
6) Pension Funds investment in real estate and housing finance.
7) Absence of land allocation to individuals and Estate Developers.
8) High construction costs and violation of building regulations.
9) Variation of prices in the housing markets.

The above findings from the previous documents were categorized in line with the conceptual framework (Financial, Procedural and Structural challenges) to help summarise the work further.

Financial Challenge

It was enumerated in the previous documents that individuals have challenges in the following areas:

- Inadequate funds and shortage of long-term funds for mortgage finance.
- Non-utilization of funds for the construction of houses by estate developers.
- High cost of houses, which poses high cost of equity contribution to access mortgage loan.

Procedural Challenges

It was further established that, applicants are faced with challenges that include:

- Operational constraints that makes the application process from origination stage to underwriting stage difficult for mortgage beneficiaries to acquire houses.
- The non-automation of business processes workflow by FMBN was another major obstacle that was highlighted in the study.

Structural Challenge

This focused on the Estate Developers (ED) and their activities in relation to the secondary market was further analysed. Outcome from this provides an important perception of the ED around the provision of quality standard houses and infrastructural amenities within estates so far developed. Key findings included;

- Majority of the houses built have not attained the desired quality standard.
- Lack of strong structures, poor finishing of the houses, inadequate infrastructure and non-provision of social amenities in the estates among others need further funding.

Furthermore, in order to better understand the development of the conceptual framework above, a more detailed discussion of the overview of document 5 and their link to the previous documents is further discussed in the next chapter.

“Disclaimer: The content of the document is solely the opinion of the researcher and does not represent the disposition of the Federal Mortgage Bank Nigeria (FMBN) or any other establishment mentioned”.

CHAPTER 2 LINKS TO THE PREVIOUS DOCUMENTS

2.1 Introduction

This chapter provides background of the previous documents (documents 2 to 4) previously developed. These documents formed the bases for the development of this present document (5) that include overview of the research survey used in the document. In addition, the chapter further elaborate around measures made at offering understanding of the research questions considered in the existing document. The survey explained the existing products and strategies that FMBN employ for generating funds necessary for housing development.

2.2 Overview of document 5

Documents 2, 3 and 4 had outlined various issues found within the housing finance system in Nigeria. This provided the avenue to develop this document. Document 2 provides conceptual framework, which also developed significantly through the study. The document provides an improved conceptual framework aimed at addressing four (4) specific research objectives;

1. To determine the affordability of individuals in terms of access to NHF loan
2. To determine the effectiveness of the strategies used by FMBN in creating mortgages
3. To explore a cost-effective means of providing affordable houses for low and middle-income earners, and
4. To develop an effective housing finance model for the Nigerian context.

In order to achieve these objectives, a qualitative research-based approach was applied using semi-structured interviews with relevant stakeholders that include; the Director Generals (DGs)/Managing Directors, (MDs)/CEOs and other top Government officials in the housing sector.

2.3 Document Two (2) Summary

The purpose of document 2 was to review relevant literature and provide detailed insight to housing finance within the context of Nigeria and its challenges. The study further made reference to selected countries with either successful or unsuccessful housing finance systems with the view of deducing paths taken and what lessons could be learnt from each.

This was aimed at strengthening the knowledge development of the research that will help simplify the process of obtaining mortgage loan and increase the understanding of housing/mortgage finance in order to reduce the housing deficit in the country. The conceptual framework was formulated in document 2 from the literature, which allowed the deliberation of problems critical for the qualitative approach in document 3 and to the quantitative research in document 4. The initial idea of how the research would be prepared and the conceptual mode continued evolving throughout documents 3, 4 and 5 in a significant manner.

2.4 Document Three (3) Summary

The purpose of document 3 was to categorise the different modes of acquiring loans from Primary Mortgage Banks (PMBs) and major stakeholders in the housing sector. The study adopted a qualitative method of research by conducting semi-structured interviews with 8 MDs/CEOs of renowned PMBs and 18 senior officials of FMBN. This was for the purpose of addressing the key issues raised related to the challenges encountered in the process of acquiring mortgages by NHF contributors and problems PMBs face in providing adequate loans to individuals.

The findings revealed that the mode of acquiring housing loan is not any different from most of the developing countries. In the context of Nigeria system, it was identified that it uses both primary and secondary markets to raise funds for its housing finance. It was also found that, the mode of acquiring a house is through employee NHF contribution made to the housing fund directly. In addition, accessing pension fund is another way for housing finance to be considered. Ways through which Pension Fund investment in housing/mortgage financing were utilized were found to be either through a regulation on investment of pension fund assets – Mortgage Backed Securities (MBS), Asset Backed Securities (ABS), and Real Estate Investment Trust (REIT) (Nubi, 2015) respectively.

Furthermore, the result of the study revealed that other sources such as government/mortgage bonds, government intervention, and increase in NHF contributions other than the current 2.5% of the basic salary could generate more funds for housing finance. The findings also indicate that the lack of affordability is another major obstacle for individuals in acquiring houses through mortgage loan arrangements as most mortgage granted by PMBs are short-term loans.

2.5 Summary of Document Four

The aim of the document was to obtain the opinion of NHF beneficiaries on the FMBN activities in processing of mortgage loan applications. The objective is to evaluate the process of home accessibility and delivery to low and middle-income earners (i.e. NHF beneficiaries) in Nigeria, based on the FMBN approved standard of affordability. The researcher adopted a quantitative approach of research, which was in contrast to document 3. This is because the document intended to obtain an objective view of NHF beneficiaries. Outcomes from document 4 revealed that, contributors/loan beneficiaries face similar challenges such as lack of affordability while meeting up with the percentage of equity contribution/deposit. Other revelations from the findings were; the majority of the respondents rated the performance of FMBN as low on the functions that relate to origination and underwriting. To achieve the study aim, 500 questionnaires were administered that comprised of sixty-two (62) questions sampled among NHF contributors (Individual private households) within 22 organisations. From the number administered, 269 participants completed and returned their questionnaire this form 53.8% response rate. A further gathering of the research findings of the previous documents is further discussed in document 5.

2.6 Research survey for Document 5

Within the Federal Mortgage Bank of Nigeria (FMBN), one of its key strategies to generate more funding for housing and mortgage finance is through products development. To understand how the research questions would be addressed, the study considered various strategies as earlier developed by the bank aimed at addressing issues related to housing/mortgage finance in Nigeria. The following are some of the products currently adopted by the bank to generate additional funds.

2.6.1 FMBN Home Renovation Loan (FHRL)

At present, there are about five million Nigerians registered on this initiative and are contributing to the NHF. However, the FMBN has been able to provide loans for NHF and FHRL to 60,000 contributors only, which equate to just under 1.2% of the registered individuals on the scheme (FMBN Special Product Group Report, 2015; FMBN Strategy and Performance Management Report, 2019).

Section 14 (2) of the NHF Act Cap N.45 of 1992 stipulates that a contributor to the fund can access a loan for the purpose of building, purchasing or renovation of existing homes/houses. To achieve that, FMBN has developed concessionary loan windows to enable Nigerians access mortgages for home ownership. However, the realisation to achieve the said NHF objectives has been hampered by several challenges to housing finance in Nigeria (FMBN Home Renovation Loan, 2014: 2). These include:

a) Lack of access to land.
b) Insufficient fund toward housing sector
c) Lack of accessibility of mortgage loans because of improper title to properties.
d) Affordability issues that mostly affects low income earners etc.

To this, the onus is now on FMBN to develop appropriate solution that large number of individuals will be able to access the NHF. It is in view of the foregoing that the bank, has now introduced the product FHRL. This product is aimed ensuring Nigerians the opportunity to access mortgage loans at affordable rate for renovation of houses (FMBN Home Renovation Loan, 2014: 2).

However, the following conditions must be attained before the application is granted:

- The applicant shall be a contributor to the NHF.
- Loan amountsN1,000,000.00 (maximum), and is subject to an individual income limit and renovation cost.
- Applicants will access through the Federal Government Staff Housing Loans Board (FGSHLB) in the case of Federal Civil Servants and through the Office of the Head of Civil Service of the State or other relevant authority recognised by FMBN in the case of State Civil Servants.
- Approved loan amount shall be disbursed in lump sum to the FGSHLB in the case of Federal Civil Servants and directly to the account of beneficiaries in the case of State Civil Servants and employees of the organised private sector, after acceptance of offer and the fulfilment of conditions precedent to drawdown.

- The loan term shall be a maximum of five (5) years or employee's remaining years of service, whichever is less.
- Repayment of the loan shall be through monthly repayments for a tenor not exceeding five (5) years, via direct deductions by the FGSHLB and the respective Head of Service/accounts office of the States.
- Monthly repayment shall not exceed one third of applicant's monthly salary/income.
- 8% and 6% interest rate for Federal and State Civil Servants respectively.
- NHF contributor that benefited NHF loan to purchase or construct a house will not benefit.
- Marriage couple could not take the facility jointly.
- Duration of the loan is five (5) years and reapply after redeeming the loan.
- Certified Bill of Quantities (BOQ) showing the amount requesting for the loan (FMBN Home Renovation Loan, 2014: 4).

The benefits of FHRL scheme is to increase the number of NHF contributors with less resources, improve the standard of living of beneficiaries, further enhance the bank's social housing program, spur more Nigerians to contribute to the scheme and improve the pressure on the regular NHF loan (FMBN Home Renovation Loan, 2014: 7).

2.6.2 Rent-to-Own (RTO)

The rent–to-own product is a unique financing agreement wherein a property owner agrees to collect monthly rent payments from a tenant for a specified period of time after which the property owner transfers ownership of the property to the tenant. The rent-to-own was seen as a means where individual can gradually build up their equity contribution prior to the migration to mortgage. It also eliminates the needs to immediately fund cost of mortgage perfection. The substitute to homeownership is by renting a house, which is also viewed as not the sustainable in the long run while exposing individual to long term housing uncertainty (Chang et al., 2017) considering that rent does not secure future hold of the property and can be terminated at any time during the process. In certain situation, a homeowner can have a cost of the house lock for future servicing while a renter focus is on the periodic rental. Just as Waziri and Roosi (2013) assert that;

"Rental housing is still very relevant and should be incorporated into the housing policy especially based on the demographic and resource pattern of each state of the federation only if the housing problem is to be reduced".

2.6.2.1 Rent-to-Own in Nigeria

In Nigeria, while the rent-to-own concept is considered as new concept, however the initiative has so far been put to practice by some private estate developers in major cities in the country and by the Lagos State Government**:**

- **Estate Developers (EDs) -** They provide the houses, appoint marketing PMB who markets the houses and allocates to tenants. The tenants pay equity contribution (if applicable), to enable them move into their homes while they maintain yearly rent payment which goes towards servicing their rental agreement, which is determined by the cost of the houses (RTO, 2018).
- **Lagos State Government -** Also started the rent to own scheme for civil servants during the administration of His Excellency Babatunde Raji Fashola (SAN) former Governor Lagos State and currently Minister of Works and Housing.
  - Lagos Government provides the houses.
  - Houses are allocated to civil servants after ballot selection.
  - Beneficiaries move into the houses and payments are deducted directly from their salaries.

While the rent to own scheme is gradually taking it root in the housing delivery market in the country, it is still at its infancy stage to fully understand either its benefit to the end users or the complexity it presents toward delivery of affordable home ownership in the country.

2.6.2.2 FMBN Rent-to-Own

The FMBN rent-to-own product is a unique financing agreement wherein a landlord (FMBN) agrees to collect monthly/yearly rent payments from a tenant for a specified period of time, at final repayment of the loan the tenant become the owner of the property (see appendix 8 for more details). Under this model, beneficiaries will be provided an opportunity to move into the properties as tenants while ultimately becoming owners of the properties after completion of the house value over an agreed set period (FMBN Rent-to-Own Report, 2018).

2.6.2.3 Objectives of FMBN Rent-to-Own

- To generate deposits and create regular liquidity;
- To deepen FMBN's market reach to achieve customer satisfaction and gradually move the Bank (FMBN) to profitability.

The product was deployed to resolve the current challenge facing the Bank (FMBN) where estates funded by the Bank have not been taken by off-takers[2] (the public) for the reason that they are unable to raise deposit necessary for the creation of mortgages. Such off-takers will now be considered for the rent-to-own scheme and this will facilitate inter-account settlement that will free up the Bank's funds that have otherwise been tied down. This will also help to clean the Bank's books (FMBN Rent-to-Own Report, 2018).

There are 2 categories of properties envisaged to be acceptable for the rent-to-own housing scheme, namely:

- Existing estates funded by FMBN.
- Non-funded estate by FMBN (RTO, 2018: 9).

2.6.3 The Informal Sector Housing Co-operative Scheme

The scheme was launched by the Honorable Minister of Land, Housing and Urban Development on 5th of December 2011 in Lagos but became operational in the year 2012. It was designed to integrate the non-salaried informal sector into the NHF through cooperative housing organisation (NHF, 2012). In addition, it also considered ways to integrate low and middle-income earners such as the artisan, the roadside mechanic, the market woman and taxi drivers onto the scheme (FMBN Special Product Group Report, 2011).

To benefit from the scheme, individuals form housing cooperatives through which they register and contribute a minimum of N450 (£1) per month which qualify the cooperative to access loan through their housing cooperative societies for estate construction and mortgage

[2]An off-take is an individual other than the vendor or any of its affiliates that is a counterparty to a housing off-take Agreement or an affiliate of the vendor who contracts with the vendor on arm’s length commercial terms in respect of the applicable housing off-take Agreement.

loans (Informal Sector Cooperative Housing Loan Scheme, 2011). Assessment of the scheme reveal the existing model present several lapses that might have long term impact hence the Special Product Group of FMBN is now charged with the responsibility of overhauling the scheme to ensure it is fit for the purpose.

2.6.4 NHF e-Collection Platform

The Honorable Minister of Lands, Housing and Urban Development in June 2012 lunched the e-collection platform with the aim to revolutionise the collection and management of NHF contributions. Key advantage of the scheme is that, it is Information Technology (IT) driven as it provides a collection platform that makes service delivered faster and easier. The platform enable capture of NHF contributions remotely using IT infrastructure available on all commercial banks in the country for seamless remittance of NHF deductions to FMBN (Gimba, 2012).

The platform replaces the manual method of NHF contributions via cash or cheque payment, thereby overcoming deficiencies in the manual system. The new payment medium provides instant SMS alerts to contributors once their monthly contributions are credited to FMBN's collection accounts and provides upon demand historical and up-to-date record of contributions using e-Cards issued to every contributor. The deployment of the e-collection platform commenced with a pilot scheme covering all the Ministries, Department and Agencies (MDAs) within the Federal Capital Territory (FCT). Currently, the NHF e-Collection is adjudge efficient and NHF Contributors are receiving instant SMS alerts on quarterly basis. This strategy was met with other internal and external challenges that may include economic and technological barriers (García-Moreno et al., 2018, Rahman et al., 2019) in advancing its implementation especially in developing countries like Nigeria.

2.6.5 Collateral Repayment Indemnity (CRI)

The FMBN's existing underwriting standard as approved, require specified equity contribution for NHF loan applicants to enable them access mortgages with acceptable loan-to-value ratio ranging up to 90% depending on the prices of the houses, subject to a maximum of N15 million (FMBN Special Product Group Report, 2015). However, the affordable housing market comprising of lower and middle-income earners do not have ready access to cash deposit, and they must either save or borrow to meet the underwriting standard requirement. While the principle of equity contribution is a universally accepted condition for mortgages, it creates a barrier to housing finance for people who otherwise fulfill all the criteria required of a “low risk” borrower. In addition, both political instability and legal procedural barriers as earlier opined by Rahman et al (2014) can further pose as setback successful implementation of the CRI scheme in the country. The frequent change in headship as witnessed in the housing finance sector in Nigeria is a further demonstration of instability experienced to banking initiatives in the country.

Key setback identified was that, while sufficient saving is needed to meet individual equity contribution to access mortgages over a period however, only few individuals are able to meet this condition on monthly basis while paying rent and attending to other costs associated with living and family needs. Moreover, the price of land and development is constantly increasing which consequently affects the quantum of the deposit required. Accordingly, potential homebuyers therefore borrow the equivalent of deposit from moneylenders at a very high interest rate. This affects their affordability and often indebt borrowers beyond their capacity and thereby turns low risk borrowers to high risk. In the end, it makes it imperative for FMBN to provide a window to facilitate access to housing finance for the market segment identified for it to be credit worth. In addition, in doing so, it could ensure the stakeholders affordability of monthly repayment on a home loan who may not have possessed the initial deposit in the form of cash or savings or a combination of both as required by Mortgage bank. To help address the fear entertain by FMBN towards individuals on this scheme, many are encouraged to take up collateral repayment indemnity (CRI).

The Collateral Repayment Indemnity (CRI) is an insurance cover, which the lender purchases in the event that it suffers loss after legal sale of a mortgage property resulting from a borrower defaulting in his obligation under the home agreement. The borrowers derive no insurance benefit from the product other than the ability to access 100% loan without equity contribution since the lender has the cover (Special Product Group, 2016).

2.6.5.1 Advantage of Collateral Repayment Indemnity to NHF Contributors

These include the followings:

- It will help to address the current challenges FMBN faced which have made the inability of some contributors to raise the required equity contribution in order to access mortgages, especially contributors from the informal sector as well as the low-income earners.

- It will also assist the low-income earners who find it difficult to raise the required deposit for their mortgage loans and enable FMBN to reach out to a greater number of beneficiaries of NHF loan.

2.6.5.2 Implications of Collateral Repayment Indemnity to FMBN

a) It meant that FMBN would be providing 100% mortgage for the CRI and that would place more pressure on FMBN funding capacity.
b) It also increases FMBN risk, as no collateral under a lending relationship.
c) The borrower as equity will otherwise have provided the CRI being proposed as an alternative to the cash deposit.

During the 2008-2010 economic meltdown, triggered by the mortgage sector crisis of the USA is a lesson in history that should be realised by FMBN for concerns on the combined effects of (a) and (b) above. FMBN is to expand the definition of acceptable deposits for housing loans to enable PMBs accept cash and appropriate non-cash collaterals or Collateral Replacement Indemnity as may be acceptable to FMBN periodically. These forms of collateral could be either in the form of insurance, guarantees or other similar instruments. However, review of present state of the initiatives has revealed that FMBN has initiated an internal review panel to fashion out ways by which the CRI application will be of advantage to beneficiaries.

CHAPTER 3 REVIEW OF THE RELATED LITERATURE

3.1 Introduction

This chapter discusses the literature review guiding this study. Various perspectives of mortgage definitions are discussed. Reviews of literature on key housing financing models guiding the formation of housing programs are discussed. Then, a discussion of various housing programs is presented. This includes notable housing policies used around the world. This was followed by a discussion of the issues of housing finance in the context of Nigeria. Furthermore, the strategies for the prioritisation of loans in the Federal Mortgage Bank of Nigeria are discussed. Then, an overview of the National Housing Fund is provided. Finally, a summary of the literature review conducted is presented.

3.2 Perspectives of mortgage definitions

For over four centuries, the term “mortgage” has been known around the world. This word has been translated legally by the French to mean “dead” (mort), “contract” or “pledge” (gage). It could be regarded as a form of lending instrument in the real estate sector (Central Bank Nigeria, 2013). A mortgage is a debt with income producing property such as retail space, hotel, office, multifamily building as collateral (Xudong, 2008). It could also be regarded as an instrument that pledges real estate as a security for an obligation and the process of pledging real estate as security (Hassanein and Barkouky, 2008; Usman et al., 2017).

Unlike traditional conventional housing, affordable housing is distinct and dynamic in its nature because of the income levels of its clients (Samad et al., 2017). There might be no agreed definition of housing affordability; it may be viewed from several angles; purchase affordability, repayment affordability and income affordability. Purchase affordability refers to the level of capacity of a household to borrow funds for buying a house. Repayment affordability describes how a household is saddled with the responsibility to make a repayment of the mortgage. While income affordability refers to the ratio of house price to income or rent rate to income (Gan and Hill, 2009; Abeysinghe and Gu, 2011).

On the other hand, Al-Abed (2012) views housing affordability as the manner in which people and housing relate with each other. A house could be regarded as affordable for some people irrespective of the high prices. Nevertheless, for other people especially individuals with the lowest income, they regard only free houses as affordable. Here, household income and house price are matched. If the price of house in a mortgage may be over and beyond 30 per cent of the household income, a housing affordability crisis might emerge (Cai and Lu, 2015). In this case, the average Nigerian civil servant in the lower cadre might find it difficult to afford a descent house.

The recent economic meltdown has discount the views held by many where infrastructure provision is viewed as a public good. This has paved the way for financial intermediaries to hone their skills at valuing business around their existence debt level and government ability to service their liability in the end (public–private partnerships, leasing and outright sale (Mitchell, 2005, Clark, 2017; Anderson et al., 2018). Based on these challenges facing the intermediaries, several models have now been tried that include public–private partnerships (PPP), leasing and outright sale etc. to help address these prevailing issues. While these models may be seen to help address certain setbacks in accessing housing finance, there is also the need to consider the available collateral models and their long-term impact on loan commitments. On this note, Rampini, and Viswanathan, (2008) opined on the need to study the optimal risk associated with each model prior to its application. In addition, intermediary capital model is seen as a good means of providing intermediaries with need incentives to be able to monitor the availability of financing such project. However, it has been argued that level of collateral may affect borrower's interest rate and provide lenders with the ability to monitor and renders market more complete as it may have impact on the aggregate investment especially on real estate prices (Chaney, Sraer and Thesmar, 2012). In addition, earlier research has shown the rise and fall in property values does escalate the volatility of investment and could affect the housing delivery (Gan, 2007, Wu, Gyourko and Deng, 2015).

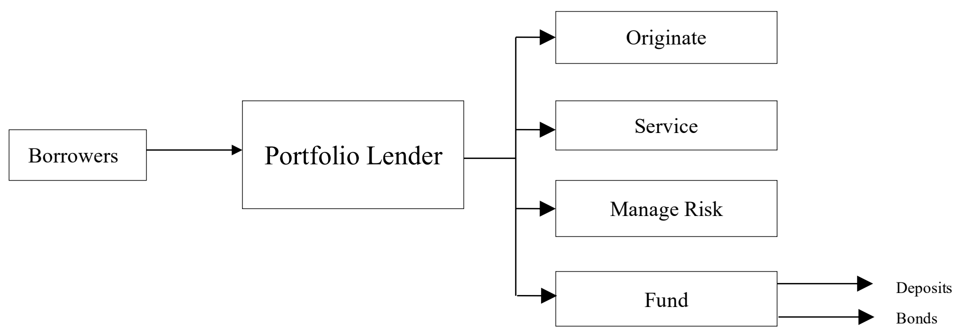
3.3 Housing financing models

Housing finance/mortgage model depends on the stage of the development of a country's mortgage markets as well as how government policies and procedures derive the housing industry (Chiquier and Lea, 2009). According to a United Nations review (Economic Commission for Europe, 2005), there are no one size fits all model for effective housing finance. Each country has its own peculiar situations that may determine their national housing system. These may be the country's banking regulations, size, macroeconomic environment, subsidies available, tax structure, and the existing structure of the housing market. These factors play huge roles in deciding between capital market-based mortgage loans and bank-based loans respectively. In this case, mortgage-financing models may include bundled mortgage finance system, unbundled mortgage finance system, depository-based mortgage finance system and secondary market-based mortgage finance system (Ukpai et al., 2013).

3.3.1 Bundled mortgage finance system

In the bundled model of mortgage, lending a financial institution performs the major functions of origination, servicing, funding, and portfolio risk management. The portfolio lender originates a mortgage to a homebuyer (Figure 3.1), services it, and performs the pipeline risk management and portfolio management functions, including funding (Chiquier and Lea, 2009). Under a bundled mortgage finance system, a single actor/player performs roles in the mortgage process, acting as the loan originator, lender services provider and the risk manager, among others (Ukpai et al., 2013; Scharfstein and Swagel, 2016). This model is characterized by liquidity as well as rates risk as lenders anticipate long term funding of their projects. As a result of the single entity lender, it can make the approach around efficiency and expertise difficult to achieve.

Figure 3.1 Bundled mortgage finance system

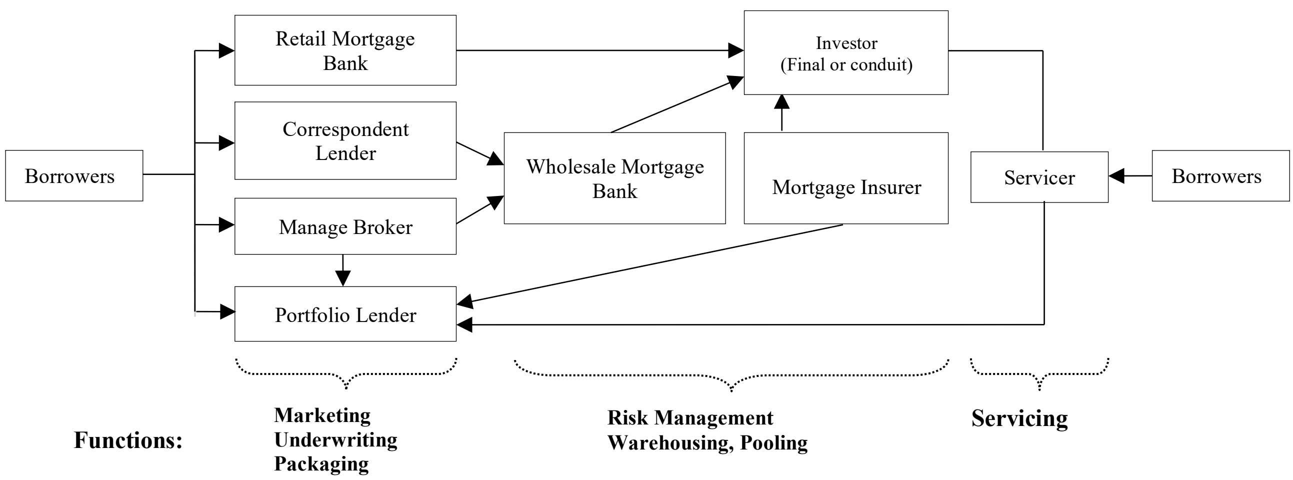


Source: Chiquier and Lea (2009: 43)

3.3.2 Unbundled mortgage finance system

Under this system, different institutions provide the functions of origination, servicing, risk management, and funding (figure 3.2). In this case, the institution that originates the loan may or may not be the one that services its entities (Chiquier and Lea, 2009). All the market players in this system play different roles in the execution of a mortgage process in contrast to the arrangements under the bundled mortgage finance system. Every loan goes through the necessary due diligence of underwriting, marketing, packaging, and risk management, among others (Ukpai et al., 2013; Van, 2018). United States is an example of the country that practice and pioneered the unbundling model but a number of the institution practicing the model suffered the collapse of the market in USA in the year 2008.

Figure 3.2 Unbundled mortgage finance system



Source: Chiquier and Lea (2009: 43)

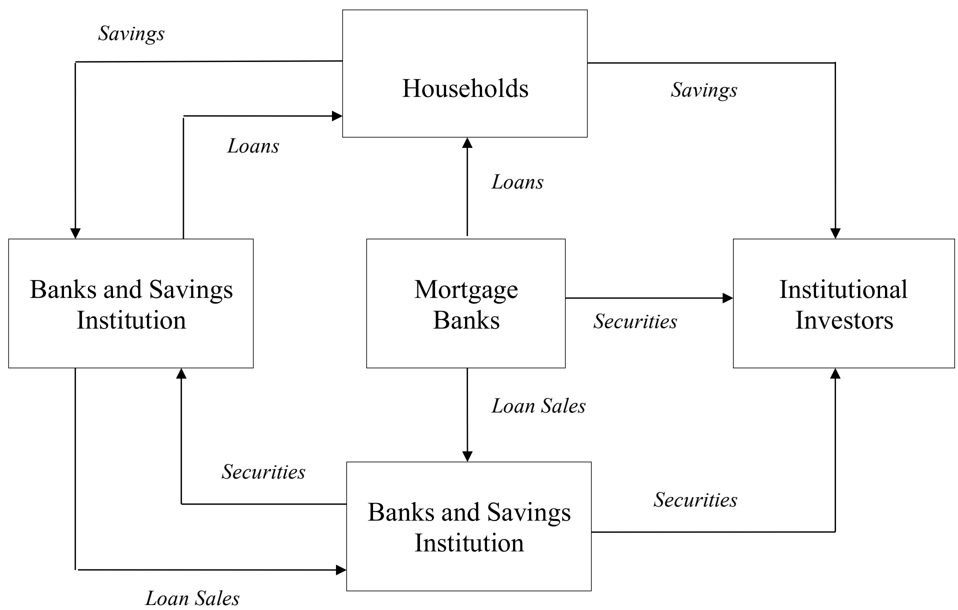
3.3.3 Depository-based mortgage finance system

The depository-based system allows the institution to gather savings from households and enterprises and provide loans to homebuyers from the savings made by the stakeholders contributing in the scheme. A key feature of a depository system is that the institution originates, services, and funds the loan (Chiquier and Lea, 2009). A major challenge associated with this model is mostly around mismatch of tenure and interest offered. Traditionally, the bank under this model will make use of funds investors lend out while it hold such loan instrument in its bank-lending portfolio. While the aspiration is ripe, the lending body (Banks) is limited to the amount of money it can lend out to borrowers partly based on the banks' capital and as dictated by the host country's federal banking laws (Chiquier, Hassler and Lea, 2004; Ukpai et al., 2013). Example, of countries that practice this model include Australia, Canada, Nigeria, and South Africa alongside several Commonwealth countries (Chiquier and Lea, 2009).

3.3.4 Secondary market-based mortgage finance system

A secondary market involves the sale of mortgage loans or mortgage securities backed by specific pools of mortgages. It involves the transfer of the risks and ownership of mortgage loans to a third party (Chiquier and Lea, 2009). Funds realised from sale of mortgages are ploughed back into the system to create more mortgages (figure 3.3), thereby deepening the system and increasing the housing stock in the economy (Ukpai et al., 2013; Aalbers, 2016).

Figure 3.3 Secondary market-based mortgage finance system



Source: Chiquier and Lea (2009: 39)

3.4 Global perspective of housing policies/programs

The provision of housing has always been regarded as a basic need of the human being and is highly prioritized for the low and middle-income earners in a country (Warnock and Warnock, 2008). Housing has a huge significance on an individual's socio-economic life in the society (Abd Aziz et al., 2011). It has also been highlighted as an important sustainable development goal. According to the Sustainable Development Goals (SDGs), goal eleven (11) focuses on turning cities into safe resilient and sustainable spaces. Within the context of developing countries, the aim of this goal is to ensure that all citizens of a country possess adequate and affordable homes (United Nations Habitat, 2019).

Despite the numerous advantages of housing, the affordability of housing has become a global problem and several governments has given affordable housing delivery among its citizen as high priority (Gopalan and Venkataraman, 2015; Hilber and Schöni, 2016; Daud et al., 2017) with more focus on key policies or programmes that would improve access to these affordable homes. However, despite several attention and policy developed aimed at achieving these goals, there is still global deficit of affordable homes in almost every nation. Most of the pressure of unaffordable homes could be related to the rapid urbanisation and sprawl going on around the world due to people’s need for a better quality of life (Gopalan and Venkataraman, 2015). To bring to light the problem posed by lack of affordable homes, review of few notable housing programmes in developed and developing countries are considered herein.

3.4.1 Examples of notable housing policies in selected developed and developing countries

A large body of literature exist in the area of housing policies and programs (Akinwunmi, 2009; Gopalan and Venkataraman, 2015; Pati, 2015; Hilber and Schöni, 2016; Daud et al., 2017; United Nations Habitat, 2019). This study focuses on the challenges of housing finance in a developing country context. Hence, the literature would limit the discussion to few key programs adopted in some developed and developing countries.

Table 3.1: Housing policies in developed and developing countries

Countries	Policies
USA	Mortgage Interest Deduction (MID)
UK	• Social Housing • Right-to-Buy • Help-to-Buy
Switzerland	• Rent Control • Second Home Initiative (SHI)
Malaysia	• My First Home Initiative • Project Perumahan Rakyat 1 (PR1MA) • My First Home Scheme • My Home Scheme • Public Private Partnership
India	• Jawaharlal Nehru National Urban Renewal Mission (JNNURM) • Basic Services for the Urban Poor (BSUP) • Integrated Housing and Slum Development Program (IHSDP) • Rajiv Awas Yojana (RAY), and Housing for All

Source: Synthesis from the Literature (2019)

Example of United States Housing Policies

In the United States of America, there have been housing policies established by the government before and after the global financial crisis of 2007 to 2009 that provide fiscal incentives to prospective homeowners. Among the programs implemented are Mortgage Interest Deduction (MID), Housing Assistance Tax Act (HATA), and the Making Home Affordable Program (MHA) (Hilber and Schöni, 2016).

The Mortgage Interest Deduction (MID) was to deduct interests on mortgages to encourage individuals to own homes. The cost of the policy was almost $100 billion in forgone annual tax revenue for the government of the United States (Hilber and Schöni, 2016). However, the MID was inadequate to rescue houses from the global financial crisis. The joint Committee on Taxation forecasted that the MID would cost $27.4 billion in 2019 (The Joint Committee on Taxation USA, 2018). In addition, Sommer and Sullivan (2018) argued that abolishing it might be advantageous for the lower income earners. The argument considered that, by removing the MID it will cause the price of house prices to fall, thereby improving the rate of homeownership for citizens' welfare, and reducing any debt associated with mortgage. Similarly, Rappoport (2016) study found that new homebuyers might find MID distorting their means of affordability due to increased house prices.

In light of these drawbacks, in 2008, during the global financial crisis, the Housing Assistance Tax Act (HATA) was established to aid prospective homeowners with a tax credit of 10 per cent of the property for new-homebuyers or $7500, which is expected to be repaid within a period of 15 years with a payback period of 15 years. The HATA was also encouraged by introducing American Recovery and Reinvestment Act (ARRA) in 2009 to increase the tax credit to $8000 in addition to waivers for properties that were not sold upon their purchase. These policies made good impacts that up until July 2010, an estimated 16 million new homebuyers benefited from the HATA and ARRA tax credits (Hilber and Schöni, 2016).

Nevertheless, in an attempt to further enhance the tax credits on housing in the USA, the Department of the Treasury started the Making Home Affordable Program (MHA) in 2009. This policy focused on two key fixed-term programs; Home Affordable Modification Program (HAMP) and the Home Affordable Refinance Program (HARP) (Hilber and Schöni, 2016). These authors described HAMP focused on homeowners facing foreclosure by liaising with mortgage lenders to decrease the homeowners' respective monthly repayment in the form of lower interest rates, longer loan term of 40 years, and a spread payment when the loan matures. Meanwhile, HARP focus on individuals that have negative home equities by providing them with access to credits. These two programs lasted until the end of 2016.

Other programs established subsequently was the Hardest-Hit-Fund (HHF) in 2010 the aim is to rescue homeowners living in the states that were specifically affected by the global financial crisis especially homeowners with a negative housing equity. The conditions for the HHF creation was as a result of region's unemployment rate that is either above or equal to the national average, and the average price of houses decrease in the region was beyond 20 per cent as at the time and end of the crisis period. Some of the affected states were Florida, California, Nevada, and Oregon among others.

UK Social Housing Policies as an example

The United Kingdom social housing policy established by the government in 1919 is viewed as an exemplary housing scheme whose aim was set at provision of decent housing for its citizen that are struggling with housing need. Historically these houses were rented to household that are unable to afford renting from private sector or buy their own homes (Hilber and Schöni, 2016). While the scheme did help at securing decent home at affordable rate to the beneficiaries, it was also greeted with several challenges around high cost of maintenance especially as the building age. In addressing the challenge of social housing delivery, Hilber and Schöni, (2016) argued that if the price of rental housing is kept below market price, the demand for social housing would outstrip its supply leading to longer waiting lists. This was now the case as witnessed in almost every community in the country. Hence, the need to for the government to be proactive with other alternatives to help address this set back. With a steep decline in social housing provision, this has led to huge increase in private renting as more household struggle to raise needed mortgage to access the home ladder, and increases in homelessness (Terry, 2019). In addition to this, the council are now faced with older housing stock that will require large programme of investment to keep each habitable. Despite this large investment demand, the scheme is looked at as good example where government especially in the developing country such as Nigeria could learn lessons on how best to address shortage of housing currently faced by Nigerians.

The downside of the social housing policy led the UK government to introduce the Right-to-Buy policy. This policy was established in 1980 to allow social tenants to buy homes at much reduced government-subsidised price in order to encourage a large number of individuals from members of social rentals homes to private homeowners. The nature of homeownership might be related to incurring social costs. It has been argued that housing market can produce negative 'externalities' upon the labour market based on the important role it plays as a determinant of the rate of unemployment in a every given community (Blanchflower and Oswald, 2013), and might not be favorable for start-ups (Bracke et al., 2015). As earlier stated by Barcelo (2006) and Head and Lloyd-Ellis (2012), workers willingness to relocate or take on new role in certain location will depend on several factors that include rent price, price of houses as well as current market value of their house if owned one. Barcelo (2006) concludes that these factors are likely to create frictions in the labour market and in the end lead to inefficient outcomes.

Nonetheless, in order to encourage the demand for housing among UK citizens, in 2013, the government further introduced the Help-to-Buy scheme through four measures. These include; equity loans, mortgage guarantees, shared ownership, and a threshold of 5% of the house purchase price as deposit. Though the Help-to-Buy program is an appreciation of the Social housing and Right-to-Buy programs, it also has its setbacks. Hilber and Schöni (2016) argued that the program might bring about higher social cost to the society because of the taxes needed to fund the program. They further added that the scheme might favor existing homeowners over first time house buyers because the increase in price might be equivalent to the present value of the Help-to-Buy subsidy.

Review of Switzerland Housing Polices

Switzerland has few housing policies that made positive impact in the industry. These include the rent control and the Second Home Initiative (SHI). Rent control is a housing policy that gives the tenant some level of control over the price of rents obtained from property owners. This policy protects tenants from unjustifiable rent increases through two main economic indices - the Rent Reference Index (RRI) and the Swiss Consumer Price Index (CPI). The RRI is a mortgage interest index that banks make available to favor tenants in Switzerland to request for a decrease in their rents, while the rent control aims to prevent unnecessary high rents and home evictions while ensuring landlords have a good return on their investment (Hilber and Schöni, 2016).

On the other hand, due to the high urban sprawl in Switzerland, the SHI was established to conserve the original mountainous tourist landscapes and maintain the environment. However, the negative effect of the SHI is that the construction sector might not thrive, and the primary homeowners might have lower demand for second houses in these areas (Steffen, 2019).

Housing Policies in Malaysia

Malaysia a developing country has considered as number of housing strategy to help meet with its housing demand. As part of its strategy, the government launched affordable housing programmes in order to cater for the low and middle-income group. Example of such initiatives lunched includes; Project Perumahan Rakyat 1 (PR1MA), My First Home Scheme, and My Home Scheme, during the 11th Malaysian Plan (EPU, 2015). The PR1MA project is regarded as the people's housing project, the RMR1M for the people-friendly homes. The "My First Homes" initiatives are affordable houses aimed at the young first-time homebuyers to help them purchase new home backed by 100 per cent financing from the banks. My Home Scheme is purposely initiated to support developers to build low-cost houses. Even though these initiatives were viable, Malaysians experienced a mismatch between the prices of houses with their disposable income level. Part of which, is where household might be considered not eligible for low-cost houses and unable to afford private development houses (Samad et al., 2017) due to their combined monthly earnings as a household.

The Public Private Partnership Scheme (PPP) scheme established is aimed at the provision of affordable houses to low income earners through shared responsibility between the public and private sector (Abdul-Aziz and Kassim, 2011; Samad et al, 2017). As part of the remit, the private developer ensures the design, finance, internal and external infrastructural construction of the properties, social amenities are provided. Meanwhile, the public sector sets out their preferred output specification, with initial commercial considerations of the output and how to allocate possible development process risks is considered. Though the PPP scheme has been effective in Malaysia, the drawback of the scheme was the over exploitation of loopholes in the PPP contract by the private developers mostly because of an unclear consensus between the two parties in the PPP (Abdul-Aziz and Kassim, 2011).

Public Housing Policies of Indian Government

In India, affordable housing policies in the country are regulated and managed by the Ministry of Housing and Urban Poverty Alleviation. The ministry develops and implement the National Urban Housing and Habitat Policy (NUHHP). This was covered by several programmmes following the post 2000 economic globalisation namely; the Jawaharlal

Nehru National Urban Renewal Mission (JNNURM), Basic Services for the Urban Poor (BSUP), Integrated Housing and Slum Development Program (IHSDP), the Rajiv Awas Yojana (RAY), and Housing for All (Gopalan and Venkataraman, 2015; Tiwari and Rao, 2016).

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) addressed the prevailing problems in urban housing and lands by amending existing laws and reforms in India through the developing of an estimated 1.5 million houses for the lowest income level individuals across 65-targeted urban areas between 2005 and 2012 (Tiwari and Rao, 2016). This takes on the institutionalisation approach of the property rights systems, tax systems and overhauling the activities of the urban local government bodies (ULBs) to become more efficient (Tiwari and Rao, 2016). The drawback of this scheme was witnessed in the lower community participation and consultation of potential homeowners during the design and development of the houses, there by leading to higher unaffordable homes (Hingorani, 2011).

Meanwhile, the BSUP program caters for the provision of variety of social needs across 65 cities that include term security, health and education, among others. This programme aims to cover a variety of social needs for citizens in the society beyond housing (Gopalan and Venkataraman, 2015; Ministry of Housing and Urban Affairs, 2018). In addition, the IHSDP policy was developed following BSUP to target those urban areas not contained or listed by the BSUP. The program is implemented using a shared ratio of 80:20 between the national and urban local bodies beneficiaries (Gopalan and Venkataraman, 2015; Ministry of Housing and Urban Affairs, 2018).

On the other hand, the RAY Program was established to attract the slum dwellers to be part of the formal sector through the provision of basic amenities and market mechanisms to address the problems of inadequate housing and lands encountered in the slum. Within the program, the laws redefined by the government are mainly term security, rent-control, urban planning and development. However, the reception of RAY program was very low by the urban local bodies. Based on this slow response of the RAY program, the central government developed the Housing for All program as a substitute for the RAY program in 2015 in order to provide affordable housing for all by 2022. The Housing for All is a mission that will provide affordable housing by the urban local bodies in collaboration with the private sector for individuals in the Low-Income Groups (LIGs) and Economically Weaker Sections

(EWS) of the society through subsidies on loans, and environmentally conscious methods in individual beneficiary-led constructions. The LIGs and EWS beneficiaries are granted subsidies on interests as low as 6.50% per annum for a 20-year housing loan term (Tiwari and Rao, 2016; BankBazaar, 2018).

With reference to table 3.1 above and the global housing review, the majority of the housing policies in both developed and developing countries could be regarded as demand-favourable schemes however these programmes are not proportionate to the supply side of affordable houses. In addition, the income-house-price match is another key important element within the global housing review in this study. This clearly links to the affordability of houses for the lower income group of the society. Further to this, another key concern is the emphasis of adopting good quality methods of construction in the development of houses. The observation above further elaborate that the findings of previous documents (document 4), provide more empirical evidence around the reviews and assessment of the challenges encountered in implementing housing policies in both the developed and developing countries including Nigeria.

3.5 Housing finance issues in the Nigerian context

The problem of providing affordable housing in Nigeria is a major challenge for the government. Within the socio-economic and cultural context of a country, housing policies are meant to be the yardstick to balance the cost of building a house and its affordability to low income earners even though the financial implications and term associated with the mortgage hinder this process (Camilleri, 2011; Fishman, 2018). The institutional settings responsible for the financing of housing could be through a variety of organisations. These include Commercial Banks, Insurance Companies, State Housing Corporations, Private Mortgage Banks and the FMBN (Okoroafor, 2007; Adedeji and Olotuah 2012; Amao and Odunjo, 2014).

Housing in the urban centers and rural areas in Nigeria are not adequately provided. This could be because of the fact that housing policies in Nigeria are still at an early stage (Wapwera et al., 2011). Just as Adedeji and Olotuah (2012) stated that, there is a very wide gap between earnings and cost of houses in the country. This has made it very difficult for the low-income earners to access the housing market. This was because their income level determines the level at which they can afford the houses in terms of price. Failure of the low-income earners to access credit from banks translate into low ratio of mortgage outstanding to GDP in Nigeria that led to about 2% compared with other emerging economies like Thailand with a ratio of 18%, Malaysia 23%, and Taiwan 37%. While some developed, countries, like Germany, have a minimum ratio of 52% (Adeboye et al., 2013).

In addition, Wapwera et al (2011) further argued that the government of Nigeria might have good policies with expected positive impacts but the finished houses may be substandard thereby misusing the limited government funds. The FMBN was permitted through decree 82 of 1992 to collect, manage and administer contributions to the NHF from registered individuals and companies (NHF Act, 1992). In this regard, in an effort to reduce the failure rate of housing provision, Adegun and Taiwo (2011) suggested the need for policies that may promote Public Private Partnership especially among the teaming for low-income earners.

Based on major findings in the previous documents (3 and 4) it was evident that part of the primary problem's individuals encountered in accessing mortgage loans which has been broadly classified into Financial, Procedural, Structural challenges are described below:

3.5.1 Financial challenges

The Government of Nigeria oversees the activities of FMBN as the only secondary source to finance housing through private developers (Anyanwu, 1991, Dung-Gwom and Mallo, 2010, CBN, 2013). One of the issues is that individuals pay higher equity contribution on higher quality houses beyond their means and make repayments of the balance over a longer term that might not be affordable for a large number of individuals (Okoroafor, 2007; Adedeji and Olotuah, 2012). In such situations, these individuals might have no option but to finance houses through their savings or to construct houses for much lower quality houses which turns out unaffordable for lower income earners to own a house.

On the other hand, the higher cost of construction of houses could hinder financing of housing (Marshall and Worthing, 2008). This largely affects most people in African countries including Nigeria (Mabogunje, 2004; Adegun and Taiwo, 2011; Arucy, 2019; Owusu-Ansah et al., 2019). The respondents added further that the lack of affordability could give a better explanation of the gap between low-income earners and reasonable cost of affordable house. These authors specifically stated that the, "*Department of Housing and Urban Development in the United States of America (USA) declared that any household with less than 80 percent of regional median income can be considered as low income*".

However, Adedeji and Olotuah (2012) argued that the increasing cost of quality building materials, inflation rate in the economy, bigger land space and high charges or repayments for contractors, and the repayments of 10% interest on FMBN loan to Estate Developers could lead to higher cost of finished houses. Such houses turnout to be unaffordable for low or middle-income earners. Wapwera et al (2011) is of the opinion that most houses constructed by government are poorly constructed with higher selling price that may delay the delivery of houses. In this case, the higher-income earners might end up buying those houses.

Furthermore, an individual's income in relation to the cost of houses considered another challenge (Windapo, 2000). This may describe the gap between the income level of an individual and the price of the house offered for mortgage. Here, the low-income earners might likely lose confidence in owning a house through housing finance. It is in this light that the NHF caters for acquiring, disbursement and managing of long-term funds (Adedokun et al., 2012).

In furtherance, Adedeji and Olotuah (2012) suggested a strategic policy for improving the housing situation of the low-income groups in Nigeria. These include huge investment in housing by the establishment of Cooperative Societies and provision of low price of building materials by the Federal Government as subsidy to estates developers through the mortgage institutions to finance low-income housing.

3.5.2 Procedural challenges

In terms of procedural challenges observed the inefficiency of the NHF system pose a threat to the success of housing finance in Nigeria. Just as Adedokun et al. (2012) stated that, the issue of NHF is not lack of funds but stringent measures in processing NHF applications. The NHF Act makes it mandatory for employers to remit the contributions of employees to the FMBN. Decree No. 3 of 1992, empowered FMBN that all Nigerian workers' earnings with an annual income of N3, 000 and above shall contribute 2.5 percent of their basic salaries to the fund (NHF Act, 1992). In practice, the success of the NHF may be hindered by several challenges such as the unnecessary time lag in the perfection of loan mortgages, lack of timely grant of NHF loans resulting from the inefficiency of PMBs in submitting blocks of existing mortgages and issues with collateral/security (Chionuma, 2000; Bichi, 2002; Fortune-Ebie, 2004).

Although housing affordability has been considered a huge problem in Nigeria, it is also the case in other African countries such as South Africa (Austin, 2009). Aribigbola (2008) stated that there is an association between housing provision and sustainable development, which relates to affordability, housing quality and issues of social equity and fairness in regards to house accessibility. In this case, it can be summarised that, there is the need to place emphasis on sustainability in the provision of affordable houses.

In order to understand the level of affordability of NHF contributors that want to access mortgage loan, an affordable mean test should be applied as presented in table 3.2. The table content provides an over view around the rate of housing accessibility for NHF loan applicant.

The affordability threshold arrived at was determined based on the proposed houses range from 1 to 5 bedrooms, with N15 million maximum mortgage loan at 6 per cent interest rate on maximum term of 30 years. The maximum Repayment-To-Income (RTI) ratio of 33.33% (*1/3*) is the standard requirement to determine the affordability of mortgage applicants. However, any affordability test that is above 33.33% as presented in table 3.2 is considered unaffordable for applicants (Aribigbola, 2008; Adedokun et al., 2012).

Table 3.2: Affordability test table (for access to NHF loan applicants - 2017)

S/N	Cost of the House	% of Equity Contribution/ Deposit	Equity Contribution on Cost of House (N)	Principal (FMBN Approve Amount N)	Monthly Income (N)	Age	Interest (%)	Tenor (Years)	Monthly Repayment (N)	Affordability Test	Affordability Remark
1	1,000,000	10%	100,000	900,000	18,000	30	6	30	5,395.95	29.98%	Affordable
2	1,500,000	10%	150,000	1,350,000	25,000	30	6	30	8,093.93	32.38%	Affordable
3	2,000,000	10%	200,000	1,800,000	33,000	30	6	30	10,791.91	32.70%	Affordable
4	2,500,000	10%	250,000	2,250,000	41,000	30	6	30	13,489.89	32.90%	Affordable
5	3,000,000	10%	300,000	2,700,000	50,000	30	6	30	16,187.86	32.38%	Affordable
6	3,500,000	10%	350,000	3,150,000	58,000	30	6	30	18,885.84	32.56%	Affordable
7	4,000,000	10%	400,000	3,600,000	66,000	30	6	30	21,583.82	32.70%	Affordable
8	4,500,000	10%	450,000	4,050,000	74,000	30	6	30	24,281.80	32.81%	Affordable
9	5,000,000	10%	500,000	4,500,000	82,000	30	6	30	26,979.77	32.90%	Affordable
10	5,500,000	20%	1,100,000	4,400,000	80,000	30	6	30	26,380.22	32.98%	Affordable
11	6,000,000	20%	1,200,000	4,800,000	88,000	30	6	30	28,778.43	32.70%	Affordable
12	6,500,000	20%	1,300,000	5,200,000	95,000	30	6	30	31,176.63	32.82%	Affordable
13	7,000,000	20%	1,400,000	5,600,000	102,000	30	6	30	33,574.83	32.92%	Affordable
14	7,500,000	20%	1,500,000	6,000,000	110,000	30	6	30	35,973.03	32.70%	Affordable
15	8,000,000	20%	1,600,000	6,400,000	117,000	30	6	30	38,371.23	32.80%	Affordable
16	8,500,000	20%	1,700,000	6,800,000	124,000	30	6	30	40,769.44	32.88%	Affordable
17	9,000,000	20%	1,800,000	7,200,000	131,000	30	6	30	43,167.64	32.95%	Affordable
18	9,500,000	20%	1,900,000	7,600,000	139,000	30	6	30	45,565.84	32.78%	Affordable
19	10,000,000	20%	2,000,000	8,000,000	146,000	30	6	30	47,964.04	32.85%	Affordable
20	10,500,000	30%	3,150,000	7,350,000	134,000	30	6	30	44,066.96	32.89%	Affordable
21	11,000,000	30%	3,300,000	7,700,000	140,000	30	6	30	46,165.39	32.98%	Affordable
22	11,500,000	30%	3,450,000	8,050,000	147,000	30	6	30	48,263.82	32.83%	Affordable
23	12,000,000	30%	3,600,000	8,400,000	153,000	30	6	30	50,362.24	32.92%	Affordable
24	12,500,000	30%	3,750,000	8,750,000	159,000	30	6	30	52,460.67	32.99%	Affordable
25	13,000,000	30%	3,900,000	9,100,000	166,000	30	6	30	54,559.10	32.87%	Affordable
26	13,500,000	30%	4,050,000	9,450,000	172,000	30	6	30	56,657.52	32.94%	Affordable
27	14,000,000	30%	4,200,000	9,800,000	179,000	30	6	30	58,755.95	32.82%	Affordable
28	14,500,000	30%	4,350,000	10,150,000	185,000	30	6	30	60,854.38	32.89%	Affordable
29	15,000,000	30%	4,500,000	10,500,000	191,000	30	6	30	62,952.81	32.96%	Affordable

Source: Author fieldwork (2017)

In addition, data contain in table 3.2 showed an affordability template for NHF applicants used as a guide in the mortgage fund scheme as at 2017. Based on these set of guidelines, NHF beneficiaries are entitled to obtain a loan for a maximum of N15 million once in a lifetime. The acquired loan is to be repaid on a monthly basis over a maximum period of 30 years. The standard approach of calculating an applicant's eligibility for the loan is by using individual terminal age (60 years) participating in the NHF scheme. Therefore, the repayment period is 60 years less the borrower's age. Meanwhile, in the year 2018, a review of the equity contribution was undertaken and since then NHF loan, applicants are required to make a down payment or equity contribution of property value/construction cost before accessing the mortgage loan in the following proportions:

- Loan of ≤N5,000,000: 0% of equity contribution
- Loan of N5,000,001 - N15,000,000: 10% of equity contribution

Table 3.3: Purchase price of property

Approximate estimates for housing units in 36 States of Nigeria including Abuja.			
House Type	**Highest**	**Lowest**	**Average Cost**
2 Bedroom Semi Detached Bungalow	5,360,000.00	4,500,000.00	4,930,000.00
3 Bedroom Semi Detached Bungalow	6,300,000.00	5,400,000.00	5,850,000.00
2 Bedroom Detached Bungalow	5,450,000.00	4,545,000.00	4,997,500.00
3 Bedroom Detached Bungalow	7,100,000.00	6,050,000.00	6,575,000.00
2 Bedroom Block of Flats	7,500,000.00	5,300,000.00	6,400,000.00
3 Bedroom Block of Flats	8,500,000.00	6,350,000.00	7,425,000.00
TOTAL	40,210,000.00	32,145,000.00	36,177,500.00
Average Cost Per House as at November 2013	**6,701,666.67**	**5,357,500.00**	**6,029,583.33**

Sources: FMBN Ad-hoc Committee to work out indicative Bill of Quantities (BOQs) for all the 36 States in Nigeria (2013)

Tables 3.2 and 3.3 above show the affordability in comparison between the cost of the house and N15 million maximum loan individuals can apply through the NHF loan. In order to elaborate on the scheme, one of the Northeastern states, Gombe state salary structure of 2016 (see table 3.4) was taken as a sample state in Nigeria. A comparison was made based on their monthly earning (at grade level/highest step) showing the maximum loan an individual can obtain on term is for 30 years (maximum years) at 6 per cent interest rate. Maximum Repayment-To-Income (RTI) ratio of 33.33% (*1/3*) is the standard requirement for any public/civil servant. I.e. monthly loan repayment should not exceed *1/3* of the beneficiaries' monthly salary and declared incomes.

Table 3.4: Consolidated Gombe State Civil Servant salary structure and its accessibility to NHF loan in 2016

Grade Level	Annual Income		Monthly Income		Maximum Loan Accessible	Monthly Repayment at interest rate of 6% for maximum period of 30 years
	Lowest Step	Highest Step	Lowest Step	Highest Step		
01	230,896.56	256,854.72	19,241.38	21,404.56	1,178,000.00	7,062.71
02	233,546.16	267,707.04	19,461.93	22,308.92	1,227,000.00	7,356.48
03	237,042.84	282,809.40	19,753.57	23,567.45	1,297,000.00	7,776.17
04	243,956.64	298,289.40	20,329.72	24,857.45	1,368,000.00	8,201.85
05	251,659.68	313,876.44	20,971.64	26,156.37	1,439,000.00	8,627.53
06	264,816.00	345,210.36	22,068.00	28,767.53	1,583,000.00	9,490.88
07	299,671.44	407,017.08	24,972.62	33,918.09	1,866,000.00	11,187.61
08	351,348.72	506,811.72	29,279.06	42,234.31	2,324,000.00	13,933.55
09	376,442.64	567,900.84	31,370.22	47,325.07	2,604,000.00	15,612.30
10	439,864.24	657,430.2	36,656.14	54,785.85	3,015,000.00	18,076.45
12	504,864.24	701,380.56	42,072.02	58,448.38	3,216,000.00	19,281.54
13	576,027.72	808,976.4	48,002.31	67,414.70	3,710,000.00	22,243.32
14	673,611.36	959,005.32	56,134.28	79,917.11	4,398,000.00	26,368.23
15	759,303.96	1,022,991.48	63,275.33	85,249.29	4,691,000.00	28,124.92
16	791,590.68	1,105,451.16	65,965.89	92,120.93	5,070,000.00	30,397.21
17	875,919.48	1,216,965.12	72,993.29	101,413.76	5,581,000.00	33,460.91

Note: For the State and Federal Salary Structure, Grade Level 11 does not exist.

Source: Nigerian Labour Congress (NLC), Gombe State Chapter (2016)

Table 3.5: Consolidated Federal Public Civil Servant salary structure (CONPSS) and its accessibility to NHF loan in 2011

Grade Level	Annual Income		Monthly Income		Maximum Loan Accessible	Monthly Repayment at interest rate of 6% for maximum period of 30 years
	Lowest Step	Highest Step	Lowest Step	Highest Step		
01	226,800.00	289,369.00	18,900.00	24,114.08	1,327,000.00	7,956.04
02	230,128.00	311,935.00	19,177.33	25,994.58	1,430,000.00	8,573.57
03	232,970.00	333,522.00	19,414.17	27,793.50	1,529,000.00	9,167.13
04	242,994.00	363,794.00	20,249.50	30,316.17	1,668,000.00	10,000.50
05	261,298.00	401,637.00	21,774.83	33,469.75	1,842,000.00	11,043.72
06	316,229.00	487,295.00	26,352.42	40,607.92	2,235,000.00	13,399.95
07	517,965.00	780,501.00	43,163.75	65,041.75	3,579,000.00	21,457.91
08	666,184.00	978,663.00	55,515.33	81,555.25	4,488,000.00	26,907.83
09	780,656.00	1,152,698.00	65,054.67	96,058.17	5,285,000.00	31,686.25
10	914,511.00	1,323,635.00	76,209.25	110,302.92	6,070,000.00	36,392.72
12	1,053,208.00	1,506,493.00	87,767.33	125,541.08	6,908,000.00	41,416.95
13	1,174,233.00	1,653,453.00	97,852.75	137,787.75	7,584,000.00	45,469.91
14	1,295,818.00	1,811,724.00	107,984.83	150,977.00	8,309,000.00	49,816.65
15	1,778,616.00	2,363,140.00	148,218.00	196,928.33	10,839,000.00	64,985.28
16	2,197,677.00	2,900,173.00	183,139.75	241,681.08	13,300,000.00	79,740.22
17	4,183,600.00	5,452,136.00	348,633.33	454,344.67	15,000,000.00	89,932.58

Note: For the State and Federal Salary Structure, Grade Level 11 does not exist.

Sources: National Salaries, Income and Wages Commission, through the Federal Ministry of finance Abuja (2011)

Tables 3.4 and 3.5 simply indicates that no employee of the State Civil Service and Federal Civil Service of Nigeria from grade level 01 - 14 and grade level 01 - 08 respectively can afford a mortgage loan up to N4.5 million for a maximum term of 30 years. Meanwhile, the FMBN ad-hoc committee report 2013 (see table 3.3) also corroborated with the stated position above. However, if the maximum loan amount and income for each grade level remain the same (as in tables 3.4 and 3.5 above) and term is reduced to 25 years. Nonetheless, based on the scenario presented it will be safe to conclude that it is almost difficult that employee within grade level 1 - 16 would be capable of affording the mortgage loan under the NHF Scheme with the likely exception for grade level 17. This argument supports the view of the Adedibu (2015) that the variations of salary for Federal Civil Service and all the States of the federation were significant while the variations among the states were not as significant as the Federal Civil Service. In order to reduce these conflicts, a collective bargaining for each state should be amended to accommodate public administration in Nigeria.

However, Ibem (2011) argued that grade levels 08 and above in State and Federal Civil Service in Nigeria, classified as medium and high-income level with average earnings of about N37,750 (US$252) and above on monthly basis can afford a housing unit provided through Public Private Partnership (PPP). In furtherance, Adegoroye (2015) opined that, the policy of intra-Civil Service and Inter-Civil Services salary differentials for public service might be an appropriate way to resolve issues related to salary disparities in Nigeria.

This was also similar to the finding of Jolaoso at el. (2012) that "Most of the (NHF) contributors lack capacity to afford loan amount that can acquire houses for themselves as a result of the subsisting low income, but with wage increase by about 300% (i.e. N18,000.00 as minimum monthly wage/income). Some categories of workers (i.e GL. 01-17) would be able to afford and be eligible to access the NHTF credit/loan facility up to a minimum of N2 million (an equivalent of average cost of one- bedroom bungalow) through the NHTF".

Gbadeyen (2011) is of the opinion that most of the houses built are either not sufficient or unaffordable to most people. Rushton (2007) is of the opinion that mortgage lenders became more reluctant to follow laid down underwriting standard for a time being and approved mortgage request without due regards, regardless of borrower's affordability to repay the loan, which contributed to the mortgage crisis in USA.

The above analysis on tables 3.4 and 3.5 on NHF affordability revealed that access for a mortgage loan through the NHF Scheme could be challenging for both the State and Federal Civil Servants in Nigeria. Adegun and Taiwo (2011) agreed with this conclusion that, "*the low-income group which constitutes the major part of the city's populace is excluded from the housing market because the houses that have been developed are not affordable to them*". A fundamental improvement and impact cannot be traced from the inception of the NHF Scheme in providing houses to citizens of Nigeria (Adedokun et al., 2012)

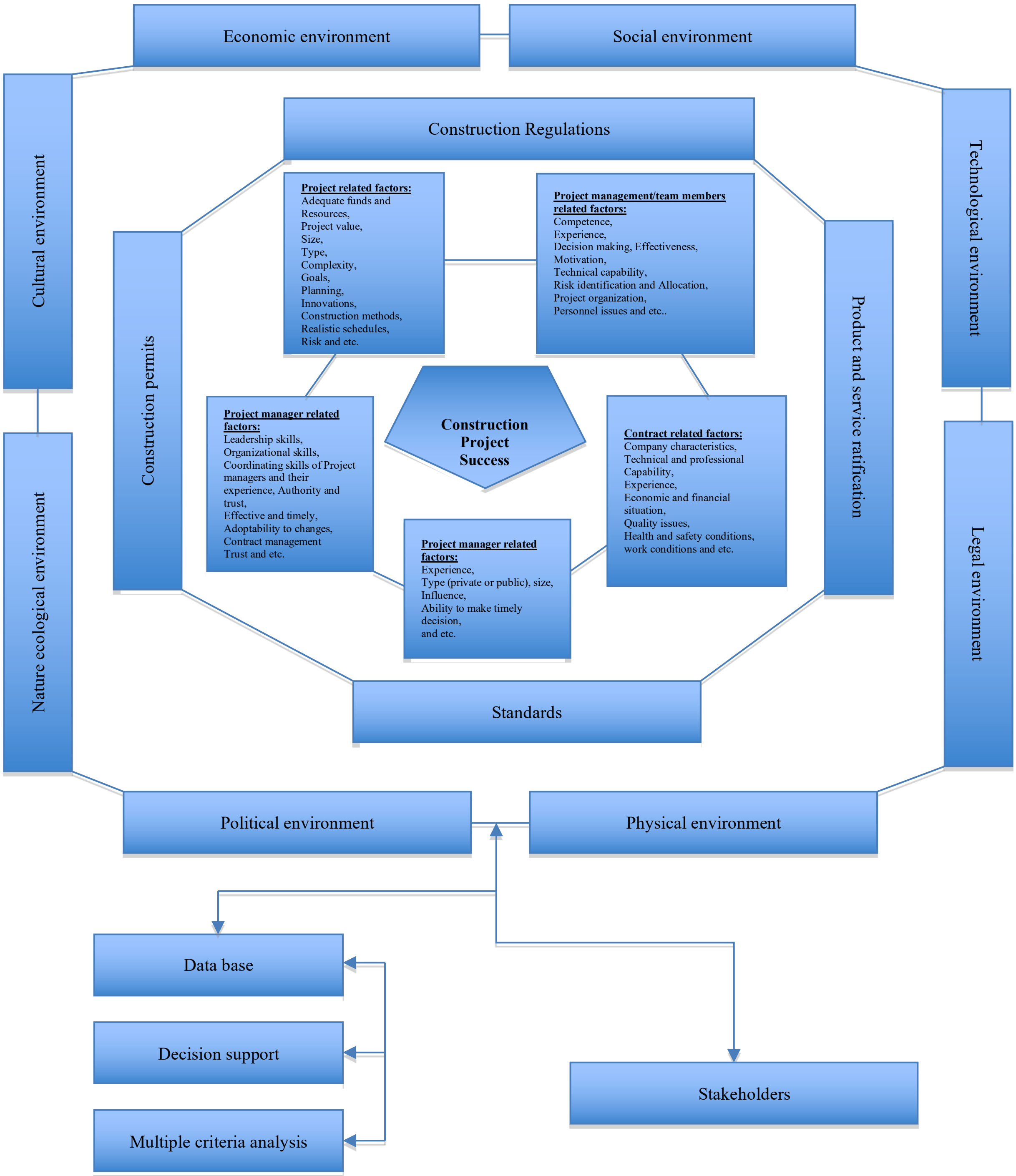
In regards to the existing housing deficit in Nigeria, it has been suggested by Ajayi and Omole (2012) that there is a need for an affordable financing model. Hence, the findings from the analyses could be applicable to the overall housing sector in Nigeria.

3.5.3 Structural challenges

Several problems associated with the structural development of houses in Nigeria have been highlighted in the literature. Recently, government projects for housing mostly encounter problems linked to the provision of sub-standard homes for citizens of Nigeria (Adenuga, 2013). Key to this is associated with the poor qualities of finishing and supervision requirements of the structures (Olotuah, 2000; Adeoye, 2016). In most instance, houses are provided to individuals either without quality being considered or the structure were compromised. This situation happens particularly in developing countries such as Nigeria. This led to the Mortgage Bank Association of Nigeria (MBAN) set targets for the development of Nigerian housing and mortgage market for five years, which has not yet been achieved.

The provision of adequate infrastructures and houses that are affordable are the major obstacle Nigeria is facing now (Ajayi and Omole, 2012). However, according to Gudienė et al. (2003) for a construction project to have a success, seven critical factors need to be considered. The model consists of the following factors; external, institutional, project related, project management/team members related; project managers related; clients and contractors related factors. Figure 3.4 below provides diagram presenting the interconnection between the critical factors for success in a model.

Figure 3.4 Conceptual critical success factors model for construction project



Source: Gudienė et al. (2003)

Further assessment of the variable contains in figure 3.4, revealed the interrelationship that exist between these variables. Furthermore, a synergistic interaction makes it possible for one variable to influence a variable in the others. The presentation below is a review of major sources that categorised the problems associated with quality delivery of houses and the factors that influence their existence (Heravitorbati et al., 2011). Key factors that play against the delivery of quality housing include lack of managerial foresight that lead to poor contractors' supervision alongside others issues. In addition, lack of competent contractors and supervisors as well as the use of low-quality building materials are other factors that affect the delivery of quality housing at present (Saidu and Yeom, 2020). Several authors have opined that, in other to avoid poor housing quality and unsustainable house price bubble and bust, there is the need for nations to consider workable housing pricing and mortgage valuation strategies parameters. These should be based on the econometrics of location, the price of land, and the cost of developing affordable housing for the target population (Kitagawa et al., 2016; Saidu and Yeom, 2020)

Table 3.6: Housing quality defects sources and quality problem factors

A. Stakeholder Managerial	
Lack of contractor supervision	Poor training system
Poor relationship and partnering among project participants	Low improvement quality
	Lack of management commitment
Reduced Subcontractor responsibility	Lack quality policy
Inappropriate method of contractor	Low effective project management systems
Poor quality procedure and department	Bureaucracy
Lack of auditing system	Supplier impact
B. Technical	
Poor design and specification	
Design complexity	
Difficult data collection systems	
Poor performance of quality tools	
Difficult application of quality system	
C. Material/Environmental Equipment	
Nature uniqueness	
Project size and complexity	
Material/equipment specification	
Project environment	
Low quality and lack of material availability	
D. Cultural/Political	
Lack of motivation	
Incompatible tendering procedures	
Low tendency to teamwork	

Source: Heravitorbati et al. (2011)

Heravitorbati et al. (2011) further categorised the problems associated with building quality in four different themes as identified in table 3.6 with the housing quality as the most prominent issues affecting affordable housing development. Based these outcomes it can be concluded that better quality structure should be viewed as upmost priority if target set around affordable housing is to be achieved. Similarly, Alaghbari (2010) and Camilleri (2011) earlier suggested that the low-income earners with a limited access to regular cash flow are finding it difficult to save for homeownership due to high cost of construction, which now is divesting in to other of housing finance. In line with the aforementioned, basic infrastructures such as road networks, water, drainages, electricity etc. are factors that need looking into to guarantee the provision of an affordable housing development that will be self-sustainable in the long run (Ajayi and Omole, 2012; Saidu and Yeom, 2020). Which at the moment most housing schemes do lack some of this provision and exposing the stock to potential threat to socio-environmental threat.

3.6 Strategies for prioritisation of loans in FMBN

This section present various strategies for prioritisation of loans as previously adopted by FMBN which include; the Presidential Technical Board (PTB) on FMBN and review of NHF Loan Administration Year 2002, Real Estate Developers Association of Nigeria (REDAN), Mortgage Banking Association of Nigeria (MBAN), Building Materials Producers Association of Nigeria (BUMPAN) and Estate Development Loan (EDL). Consequently, Government reviewed the PTB mandate to drive the construction of 500 low-cost housing units in each of Nigeria's state capitals through the State Housing Corporations (SHC): Cooperative Housing (CH), Housing Cooperative Homeownership Loans (HCHL) and Housing Cooperative Home Development Loans (HCHDL).

3.6.1 Presidential Technical Board (PTB) on FMBN

The former Nigerian President Olusegun Obasanjo appointed the Presidential Technical Board (PTB) of the FMBN on 28 November 2002. The board was set up with the mandate to provide effective leadership to FMBN, considering its strategic importance to achieving a robust housing finance system in Nigeria (Report on Urban Development and Housing, 2002). The PTB emerged from the Presidential Technical Committee (PTC), which was earlier set up by the Federal Government to establish the institutional structures and execute tasks antecedents to implementing the Federal Government's White Paper on the former

Governor Peter Odili's Report on Housing and Urban Development.

The resources of the NHF consist of mandatory contributions by public sector workers, private and self-employed individuals statutorily requirement of 2.5% contribution of their monthly earnings. Aside individual contributions, the enabling law setting up the Fund compels contributions from banks and insurance companies (Report on Urban Development and Housing, 2002).

Prior to the on-going housing sector reforms, the fortunes of the NHF suffered a loss of confidence by contributors regarding its effectiveness to provide homeownership (Anidiobu et al., 2018). This attitude stemmed largely from the performance of the fund and other exogenous factors, some of which include:

- Poor contributions record keeping
- Virtual inaccessibility to mortgage loans
- Administrative bottlenecks, in particular, difficulty in obtaining Certificates of Occupancy (C of O) and other titles from State Governments by intending loan beneficiaries required to secure mortgages and
- Insufficient housing stock.

The result of the lack of confidence in the NHF initiative was seen in the rate of refusal to remit individual contributions by employers, as well as general apathy to seeking mortgage loans. This led the Nigerian Labour Congress (NLC) to call for the withdrawal and scrapping of the Scheme initiated in 2003. Among the early reform measures taken by the PTB were those aimed at reviving the NHF and restoring the integrity of the fund and the Bank (FMBN) in general. The highlights of such measures and the achievements are provided in details in appendix 9 (Report on Urban Development and Housing, 2002).

The housing reforms were established essentially to promote mass housing delivery primarily through the activities of private sector estate developers, state housing corporations, housing cooperatives, and so on, supported by a robust mortgage financing system anchored in the restructured FMBN. In the implementation of this policy directive, the PTB initiated the establishment and strengthening of the following institutions and programs.

3.6.2 Real Estate Developers Association of Nigeria (REDAN)

Prior to the reforms, private estate developers were alien in the country's building sector as such did not play a significant role in housing delivery. The sole responsibility of housing delivery was seen as government responsibility and this hampered the progress made toward the development and delivery of affordable housing. However, with the formulation of new housing policy based on government review, the supply of housing under the then current housing policy became private sector driven. The private developers therefore had to be organised into a professional body to discharge their roles effectively. REDAN was finally established on 9 May 2002 (Presidential Technical Board, 2002).

REDAN is a body of private estate developers that embodies the policy thrust of the government for more prominent role to be played by the organised private sector in the renewed drive to deliver affordable mass housing for Nigerians. As part of the affordable housing drive, REDAN members have been actively involved in the production of houses for sale to contributors on mortgage basis under the NHF scheme (Daniel et al., 2014). In addition, the body has been instrumental in ensuring that the interest rate at which its members secure construction loans is reasonable compared to what is obtainable in parallel market FMBN (Report on Urban Development and Housing, 2002. Page 17 and 18).

Despite effort made there is limited support gained from the government in ensuring needed target of REDAN is reached with the exception of construction of low-cost housing (Makinde, 2014; Elegbede, Olofa and Olojede, 2015). Hence, the need to ensure the stability of the macroeconomic through active means of stabilizing inflation and interest rate down while ensuring adequate regulatory structure exist to help offer needed confidence to investors (REDAN) in the delivery affordable housing supply to help draw close to meeting the nation housing demand (Makinde, 2014).

3.6.3 Mortgage Banking Association of Nigeria (MBAN)

Mortgage Banking Association of Nigeria (MBAN) is an association that bundle all the PMBs under one umbrella. This organ consists of industry leaders in the mortgage banking sectors who are responsible for primary mortgage market operations. As part of the condition, any Primary Mortgage Banks (PMBs) that is to be established must be duly licensed, accredited and certified by the Central Bank of Nigeria (CBN) and FMBN before it will be allowed to access the NHF and raise finance for mortgagors (Boleat and Walley, 2008). For the mortgage banking association of Nigeria to be effective and meet the aim, effective communication channel between its members and government is considered vital which at this stage there are several bottlenecks hindering these effective means of communication to ensure interest rate and experience of mortgage lenders are fully taken into account in the policy making process (Boleat and Walley, 2008; Moruf, 2017; Ganiyu, Muzliu, and Elumah, 2018).

In the year 2004, following general public sector reforms and adoption of reports of respective Federal Government appointed committees set up for such purposes, the Federal Government approved the restructuring of the FMBN and the liquidation of the Federal Mortgage Finance Limited (FMFL)[3]. Under the period of the restructuring, a PTB under the leadership of Professor Akin Mabogunje headed the FMBN that saw to the implementations put forward by the committee.

3.6.4 Building Materials Producers Association of Nigeria (BUMPAN)

To respond to the increased demand for building materials expected in the implementation of the mass housing policy and to enable developers deliver houses at affordable prices, FMBN demands that attention be paid to the cost of building materials. This necessitated bringing together building materials producers in the country under a recognised body. This led to the setting up of Building Materials Producers Association of Nigeria (BUMPAN) on 24 March 2004. The objective of BUMPAN is to identify, mobilise and sensitise small and medium domestic producers of building materials and components to the challenges and economic potentials that the current housing policy offers. Essentially, the formation of BUMPAN is a measure to reduce the cost of housing development by improving the capacity of private sector producers to supply the housing construction industry with high quality and affordable (cheaper) building materials.

Despite the good intentions of the formation of BUMPAN, the absence of functional local technology for the production of building materials, high interest rate on loan, lack of

[3] Prior to its merger with Federal Mortgage Bank of Nigeria (FMBN) the Federal Mortgage Finance Limited (FMFL) primary functions include;

- To ensure equitable distribution of mortgage lending activities all over the country.
- To operate as an efficient and effective mortgage institution which will be a role model for the private mortgage institutions.
- To dictate the level and pace of growth of mortgage finance industry and;
- To minimise avoidable and fraudulent losses, and ensure a timely and adequate loan recovery performance, to help create opportunities for structured expansion in the provision of housing finance.

financial support and inefficient infrastructural facilities within industrial layout have made it almost impossible for BUMPAN and its teaming members to make the needed impact (Olotuah, and Bobadoye, 2009; Iwuagwu, and Eme-anele, 2012; Ugochukwu and Chioma, 2015). In addition, the limited support by government agencies towards the provision of matching grants for investments in the areas of research in the use of local materials for building materials manufacturers is also another setback that have retarded it from making much progress. Further to this, high interest loan rate to manufacturers as well as low patronage of builders towards local building materials are other factors considered as slowing the good intent of the association (Makinde, 2014; Uwaegbulam, Nwannekanma, and Gbonegun, 2019).

Therefore, it is expected that with the formation of the building association it would lay a solid foundation for the development of a robust, effective and economically viable small and medium scale industry for the production of building materials and thus affordable target priced houses would be within the reach of NHF contributors. Unfortunately, the association is yet to make any significant impact on housing development and has been somewhat in active in spite of the PTB's efforts.

3.6.5 Estate Development Loan (EDL)

One of the reasons responsible for the earlier ineffectiveness of the NHF scheme was the shortage of affordable houses to create NHF mortgages for contributors. This was partly due to the unavailability of cheap loans for housing estate development. Although the FMBN earlier opened an avenue on the NHF for estate loans, which turned, out ineffective. Since the inception of the reforms, however, the PTB has restructured the estate loan window to become an effective tool to turn around the NHF to deliver mass and affordable housing to contributors through the introduction of the followings (Report on Urban Development and Housing, 2002):

- The reduction of loan interest rate from the previous 15% to 10%.
- The restructuring of the estate loan to prolong the moratorium period considering the gestation period of housing estate construction to enable a developer who has been granted estate loan make repayment when due. Accordingly, the new structure for estate development loan facility (with effect from 21st February 2007) is as follows:

i. Loan tenor – 24 months;

ii. Moratorium period – 12 months (instead of the previous 6 months) when accrued interest is capitalized;

iii. Construction period – 18 months including 12 months moratorium period;

iv. Interest is charged from 13th month up to 18th month;

v. From 19th to 24th month, interest and capital are due and payable.

- Submission of proof of REDAN membership by private developers as one of the conditions to access estate loan.
- Introduction of loan workout for problematic estate loans to ensure completion of the affected projects and loan recovery.
- Introduction of infrastructure loan facility, which can be accessed by private housing estate developers only to supply 70% of their infrastructure-funding requirement. This is to enable private developers granted estate loans to successfully complete housing projects.

3.6.6 Cooperative Housing (CH)

The 2002 PTB on Housing and Urban Development, which provides in Section 7.3 (v) that *"cooperative societies and housing associations shall also have access to the funds of the FMBN through the PMBs",* has mandate the FMBN to open two additional loan windows to provide funding for housing cooperatives. This initiative was aimed at offering opportunities to individuals coming together as cooperative or housing society to seek facilities to fund housing estates for wider access to homeownership.

That constitutes an arrangement for housing cooperatives to construct affordable houses for their members. Based on this initiative housing cooperatives can therefore, acquire land from government and develop affordable housing estates with necessary infrastructure and market it through appointed PMBs. The root title of the estate land would be sub-leased to member-owners, thereby circumventing the frustrations encountered in obtaining land and titles for residential purposes (Urban Development and Housing, 2002).

- Housing Cooperative Homeownership Loans (HCHL)

  This provides access to housing cooperatives seeking homeownership loans for members through licensed PMBs accredited by the bank, subject to membership registration with the NHF and the housing cooperative for a period not less than six (6) months prior to application.

- Housing Cooperative Home Development Loans (HCHDL)

  This facility offers the opportunity for housing cooperatives for mass construction of housing units (estate development). Consideration for this facility is similar to those guiding the Estate Development Loan with the following exceptions:

  - Evidence of registration as a Cooperative Society with the Registrar of Cooperative Societies in lieu of CAC registration and the REDAN.
  - Certified copy of the society's byelaws including a provision empowering the association to engage in housing development/construction.
  - A resolution authorizing it to borrow taken at an Annual or Emergency General Meeting of the Board or executive duly executed and registered with the Registrar of Cooperatives and relevant authorities.

3.6.7 Capitalisation of FMBN

The current ownership structure/status of capital subscription as approved by the Federal Government is as follows:

- Federal Government (FG) of Nigeria (50%) N2.5 billion – paid up.
- Central Bank of Nigeria (CBN) (30%) N1.5 billion – not paid.
- Nigerian Social Insurance Trust Fund (NSTIF) (20%) N1.0 billion – not paid.

The ownership structure above indicates that out of the N5 billion-share capital base, only N2.5 billion, being Federal Governments portion is fully paid up while portions by the CBN and NSTIF remain outstanding (National Economic Council of Nigeria, 2012). Comparisons of paid-up share capitals of (selected) other secondary mortgage institutions in the world, which perform similar roles as FMBN, highlight the inadequacy of funding for the Bank (Hilber and Schoni, 2016).

Table 3.7: Comparison of paid-up capital of selected secondary mortgage institutions

INSTITUTION/YEAR OF ACCOUNT	PAID-UP CAPITAL (US$)
Cagamas Holdings Berhad, Malaysia (2007)	40,350,978
Hong Kong Mortgage Corporation Ltd (2007)	257,871,861
Sociedad Hipotecaria Federal, Mexico (2008)	342,235,042
National Housing Finance Corporation, South Africa (2010)	285,044,340
Federal National Mortgage Association, USA (2006)	41,950,000,000
Home Finance Company, Ghana (2011)	42,383,002
Federal Mortgage Bank of Nigeria (2012)	**27,777,777.77**

Source: Paper presentation to the National Economic Council of Nigeria - NEC (2012).[4]

Based on table 3.7 above, the capital base of N5 billion or just over $27million for the FMBN to ensure housing provision to NHF contributors seem lower than what is obtainable in other developed and developing countries. This amount further reveals the low capitalisation rate needed to meet the housing deficit of about 17 million housing units in a country with a population of about 200 million people. The FMBN needs to be adequately recapitalized to enable it assume its full role as the Nation's foremost mortgage financier.

[4]Delivering Affordable Housing and Mortgage Financing in Nigeria: The Role, Achievements, Challenges and Strategies of FMBN. Paper presentation to the National Economic Council (NEC) on the Role, Strategies and Achievements of the Federal Mortgage Bank of Nigeria (FMBN), November 2012. Dollar rate to Naira at 2012; $1= 180 Nigerian Naira.

Table 3.8: NHF, EDL, MPHS, CHDL and FHRL operation – performance result

PERPORMANCE INDICES	RESULTS FROM 1992 TO 31ST MARCH 2019	NUMBER OF UNITS
NHF Collection	N325,606,327,940.99	
Registered Contributors Registered Organisations	4,838,390 23,092	
NHF Contribution Refund: Amount- Number of Contributors Refunded-	 N27,339,872,907.55 253,364	
NHF Loan portfolio: 1. Estate Development Loans: Approved- Disbursed- 2. NHF Mortgage Loans: Approved- Disbursed- 3. Ministerial Pilot Housing Scheme: Approved- Disbursed- 4. Cooperative Housing Development Loan: Approved- Disbursed- 5. FMBN Home Renovation Loan: Approved- Disbursed-	 N118,743,477,925.71 N77,327,560,139.52 N150,467,848,393.28 N93,380,697,841.62 N26,248,431,615.42 N18,041,533,857.00 N4,299,176,749.64 N2,772,112,620.61 N26,653,890,716.68 N21,076,247,716.68	 37,142 housing units 23,572 housing units 30,309 beneficiaries 20,263 beneficiaries 4,426 housing units 2,938 housing units 743 housing units 463 housing units 25,691 beneficiaries
Total Loan Portfolio: **Total Approved-** **Total Disbursed-**	 **N326,412,825,400.73** **N212,598,152,175,43**	

Source: FMBN Strategy and Performance Management report (2019)

Table 3.8 above shows an operational performance report of FMBN. The operation of FMBN from 1992 to March 2019 in term houses (units) built was 26,973. This is seen as far cry to the housing need of the nation citizen. The loan disbursed to NHF beneficiaries stood at 0.94%, which based on the home delivery target for the nation it is regarded as very low. However, the reasons for the low figures from the report are associated with insufficient funding capacity to finance housing development, cost of property transactions, access to land and tittle documents, individual affordability and absence of effective foreclosure laws. This provides confirmation of the findings of the previous documents in this study (Documents 3 and 4). This will also be considered during the analyses of the outcome of the research.

3.6.8 Contribution by Federal Government

The Federal Government shall make adequate financial contributions to the Fund for granting of long - term loans and advances for housing development in Nigeria. The Federal Government may also make available such other sums in either naira or foreign currency to the Fund, as it may deem necessary (Section 6 (2 and 3) NHF Act 1992).

3.6.9 Deductions by employers from monthly salary of workers and contribution by Nigerian workers

An employer who has in its employment an employee earning a basic salary of N3, 000.00 and above per annum shall deduct 2.5 per cent of the monthly salary of that employee as the employee's contribution to the Fund (Section 9 (1) NHF Act 1992). A Nigerian worker earning an income of N3,000.00 and above per annum in both the public and private sectors of the economy shall contribute 2.5 per cent of his basic monthly salary to the fund, an interest rate of 2 per cent shall be payable on contributions made (at retirement) under section 4 (1) NHF Act 1992.

3.6.10 FMBN N100 Billion Mortgage-Backed Bond (MBB) Programme

A major mandate of the FMBN is to link the mortgage market with the capital market to ensure sustainable funding for housing and mortgage finance through bond and debt issuance and possibly, securitization and other derivatives. In 2006, the Debt Management Office (DMO) granted FMBN 3-years facility of N5 billion for the bank (FMBN) to fund its mortgage financing operations. Throughout the term of the facility, the bank met interest and obligations on the facility. On the strength of the bank's credit-worthiness that retained an 'AAA' rating, not only being backed by a Federal Government Guarantee but also for having a record of the N5 billion facilities for another period of 3 years from June 2009 (Gimba, 2011).

The Bank has floated its maiden bond to raise N100 billion from the capital market in two (2) tranches of N50 billion each. This action is predicated on the dual consequences of the FG to:

- Encourage homeownership by Nigerians, particularly by the 'middle class' and

- Implement the monetization policy under which it ceases to provide accommodation to federal public servants and thereon pay an accommodation allowance in lieu.

The situation has informed the Federal Government decision to sell off it is over 30,000 non-essential residential houses in Abuja to civil servants. The proceeds of the Bond will finance the sale of the houses under a mortgage arrangement. In 2007, FMBN commenced the N100 billion mortgage-backed bond to refinance the acquisition of non-essential FG-owned residential houses sold in the FCT Abuja Nigeria, following implementation of the Monetization Policy. The loans are advanced at single-digit rates by Commercial Banks and PMBs, which signed-on, to the program. Federal Government Guaranty is to ensure the success of the issuance of the Bond.

The program kicked off with issuance of the first tranche of N26 billion, covering 9,575 individual mortgages in May 2007. From January to December 2012, FMBN recorded two significant activities in Capital Market operations. These are:

i. Issuance of the second tranche of the Bond to the tune of N6 billion in April 2012 to refinance 4,175 mortgages for purchase of monetized FG houses not covered in the 1sttranche;

ii. Issuance of the third tranche of the Bond to refinance the first tranche of N26 billion for 9,575 mortgages, which matured in May 2012.

The strategy for FG to raise the N100 billion mortgage-backed bond and injected into the housing finance sector was to create more funding for the housing sector which will in turn create more mortgages that would reduce the housing deficit in Nigeria.

3.6.11 National Housing Fund

The National Housing Trust Fund (NHTF) was established under decree No 3 of 1992. The employees of public and private sectors who are earning more than the minimum wage of N18, 000 (N361/$1 – less than $50 per month) are required to deduct 2.5 per cent from their monthly salary and pay the amount into the NHTF (NHF Act, 1992). The accounts statement will be generated by FMBN in the names of individuals who contributed and a summary of NHF statements will be send to their emails and SMS to their mobile phones. The interest for the contributions is 2 per cent. However, the contributions plus interest are repayable at retirement age 60 or 35 years of service (which ever come first) or on death. After employee's contribution to the NHF scheme for six (6) months, he/she is eligible to apply for a mortgage loan of up to N15 million at a rate of 6 per cent for a maximum of 30 years (NHF Act, 1992).

The loan amount is for a maximum of N15 million set at 90 per cent of the value of the property with the balance of 10 per cent set as the equity contribution to be made by each applicant. However, any applicant requesting a mortgage loan below N5 million will be given 100 per cent value of the property (NHF Act, 1992). The loan is meant for erection of structure on the allocated plot with a C of O, for the purchase of a house or house renovation. The PMBs received and verify the application and thereafter forward all relevant documents to the FMBN for further processing. It will take between four and nine months to process, the applications and can take much longer when applicants did not file an application correctly. Approval will be given to PMBs for onward disbursement of funds to beneficiaries at a rate of 4 per cent, while the PMBs will take 2 per cent.

Part of the contribution made by individuals to FMBN will be used to fund construction finance through the estate development loans to private developers and State Housing Corporations at an interest rate of 10 per cent within a period of 24 months. Which at the end would be sold to contributors of NHF at an interest rate of 6 per cent loans for a properties price not more than N15 million.

While the NHF fund is viewed as an effective approach for sourcing housing funds in theory however, in reality scholars described the procedures as not suitable approach. For instance, Boleat (2008) opined that, the contributions remitted to the fund as at when due might be inadequate to cover loans for a large number of individuals that require housing loan. Therefore, it is clear from the review that the existing housing loans and their methods of sourcing funds may be needed to be revisited in order to provide plausible approach to tackle housing challenges in Nigeria.

3.7 Summary of findings from literature review

Review of literature has considered how several housing models used around the world has contributed in the provision and delivery of affordable homes in countries of operation. It was obvious that a one-size-fits-all approach is not appropriate and does not guarantee result if considered in a different setting.

These models form the basis in which numerous housing programs are developed and implemented in both developed and developing countries. The review showed mainly that the developed countries moved towards the unbundled model of housing, while developing countries including Nigeria used the bundled model in establishing their housing programs. The housing programs in the developing countries are mainly overseen by a secondary market in the respective country.

In addition, there is paucity of information on housing finance, and how individuals could access mortgage on affordable rates from the cases so far reviewed. The Nigeria housing delivery based on an extensive review on strategy for and prioritisation of loan carried out to help examine the model of housing finance currently used in Nigeria has unearth a number of shortcomings while drawing lessons from the industrialised (developed) countries. Key gaps uncovered included lack of directional guide on the development and implementation of sustainable housing delivery framework in the country, lack of utilisation of capable artisan that lead to poor housing quality delivery, political and cultural influence play major role in the financing and delivery of sustainable housing in the country.

Secondly, the most important issues highlighted in the literature are deposit, affordability, low interest rate and having easier access to mortgages. Based on comparative global housing review undertaken, there exist similarity in approaches adopted. Most of the of the housing policies in both developed and developing countries were found to be based on demand-favourable schemes without making it proportionate to the supply side of affordable houses. In addition, the income-house-price match is another key important element within the global housing review unearth in the study. Based on the aforementioned, it was concluded that lack of affordability to affordable houses among lower income groups within both countries considered in the study are synonymous due to several bottlenecks that relates with finance disbursement, land availability, number of units provided etc. Further to this, another key concern is the emphasis of adopting good quality methods of construction in the development of houses has been reechoed in some of the countries (Malaysia and India) as issue considered similar in developing economy countries. As a result of this, it is now clear that the existing housing loans in Nigeria and approaches to sourcing of housing funds require urgent review to ensure that the country housing target is met within the stipulated target period.

CHAPTER 4 METHODOLOGY

4.1 Introduction

This chapter present the research methodology employed to achieve the research aims and objectives of this study. It provides an overview of the research design used with justifications of the research strategy. This was followed by discussion of the research participants and instrumentation of the study. Data collection procedures and analyses were outlined and followed by a discussion of the issues regarding validity and reliability of data were discussed alongside ethical procedures adopted and limitations of the methodology.

The expansion of this research has developed a number of research approaches that attempt to provide comprehensive answer to the research questions; what the strategies are for and prioritisation of loans. Tashakkori and Creswell (2007) opined that qualitative research method is used when researcher wants to draw understanding or make meaning of an environment with the impression to develop a theory. Informed conclusion can be drawn based "on the nature of the research question and what phenomenon is under investigation that should pragmatically dictate the correct research method to use" (Gill and Johnson, 2013: 6).

The research approach in document 3 adopted an interpretivism stance by using the case study approach with semi-structured interview. This approach adopted provides an in-depth response to research questions raised and offers an opportunity to 'probe' answers. The data contained in document 3 provide summary of administrative information from relevant senior officers within the organisation (FMBN). This emerged to be a different dimension in the research work that automatically led to the development of the conceptual framework. In document 4, a quantitative approach was adapted based on positivism approach using questionnaire as tool to collect data from individuals in relevant government agencies and private organisations.

In seeking to identify the most appropriate methodology for document 5, a number of factors were considered that informed the selection of the adopted approach. The researcher adopted an interpretivism approach associated with 'social constructionism'. Sensitive information was obtained through semi-structured interviews with key stakeholders in the housing industry to assess the level of housing delivery by FMBN. These stakeholders are within the directorate cadre in the Federal Ministry of Works and Housing, as well as heads of agencies/parastatals in the housing industry across Nigeria. However, it should be noted that relevant data were obtained from FMBN to appraise the current condition of housing delivery.

> "*While choosing qualitative research method, inquirers make certain philosophical assumptions in terms of the ontology, epistemology, axiology, rhetoric and methodology of the research*" (Creswell and Creswell, 2017).

In this regards the researcher adopts the Honeycomb research methodology by Wilson (2014) which highlighted the six (6) main research elements that include research philosophy, research approach, research strategy, research design, collection of data and analysis that inform the development of methodological approach.

4.2 Research philosophy

According to Žukauskas, Vveinhardt, and Andriukaitienė (2018), research philosophy is a system adopted based on researchers thought, following which new and reliable knowledge about the object researched is obtained. The research philosophy in this study considered the philosophical assumptions that consist of epistemology, ontology and axiology. It also reviews further other philosophical approaches, which could be either deductive or inductive as it concerns the subject studied. Hence, qualitative research approach was considered moving forward. The study concludes by carefully considering the methods adopted for the study considering the population and sampling techniques instruments of data collection, data analysis and problems encounter amongst others.

Epistemology: (Positivism, Interpretivism, and Pragmatism)

Knowing what you know and how you know it. The researcher works with FMBN and has been an employee of the Bank for over 11 years. He has also been working with their policy documents for his schedule of duties at varying ranks. How these documents are patterned to mortgage financing over the years gave him an insight on how it is written. Writers before him have a pattern through which issues are presented as they relate to the challenges of housing finance and the possible solutions. In this case, the study leans toward interpretivism at this point.

Ontology: (Objectivism, Subjectivism)

This is the perspective from which a researcher sees a situation or circumstances and derived from his background, training, belief and ideology. This also has perspective of objectivist and subjectivist. Being objective is one learning towards either yes or no, white or black. However, being constructivist or subjectivist explains it as having multiple realities.

This in itself considers the challenges of mortgage financing as being more subjectivist than objectivist as multiple opinion arises as it is been considered or thrown into discussion. Hence, for the purpose of this study, it is leaning more towards subjectivism with varying opinion and views from different schools of thought.

Axiology: (Value-free, Biased)

This is the value that is accrued to any study as those involved come in with their views, opinion, ideas, and belief. In a study of this nature, different disciplines are employed to look and consider the challenges of housing finance as it relates to FMBN. Disciplines in the built environment are part of it as well as those in the management and social sciences arts and humanities are involved. All those involved personnel within the establishment bring in their individual backgrounds, ideologies and beliefs which has shaped the pattern of operation within the establishment. For the purpose of this study and to draw valid judgements, available data were considered based on the value it each holds toward the enrichment of the study rationale. Based on the aforementioned, an interpretivist stance was adopted as it allows the researcher form part of what is been looked at and any knowledge gained is considered subjective (Table 4.1). In addition, the stance places emphasis on meaning and encourages the adoption of multiple methods to allow reflection on diver's perspectives of the issue been studied.

Table 4.1: Philosophical Perspective and Stance adopted

Perspective	Stance	
Epistemology	Positivist	**Interpretivist**
Ontology	Objectivist	**Subjectivist**
Axiology	Value Free	**Value Laden (Bias)**

Source: Compiled by author from Creswell and Creswell (2017)

4.3 Research approach

The approach considered is the combination of inductive and deductive research approach in the form of abduction approach. The approach helped to complement the weaknesses around the application of either deductive (lacked clarity in the selection of theory to be tested) or inductive (outcome not able to lead to theory building) approach (Saunders, Lewis and Thornhill, 2012; Lipscomb, 2012) hence it helps in drawing logical inference around subject considered based on investigative approach.

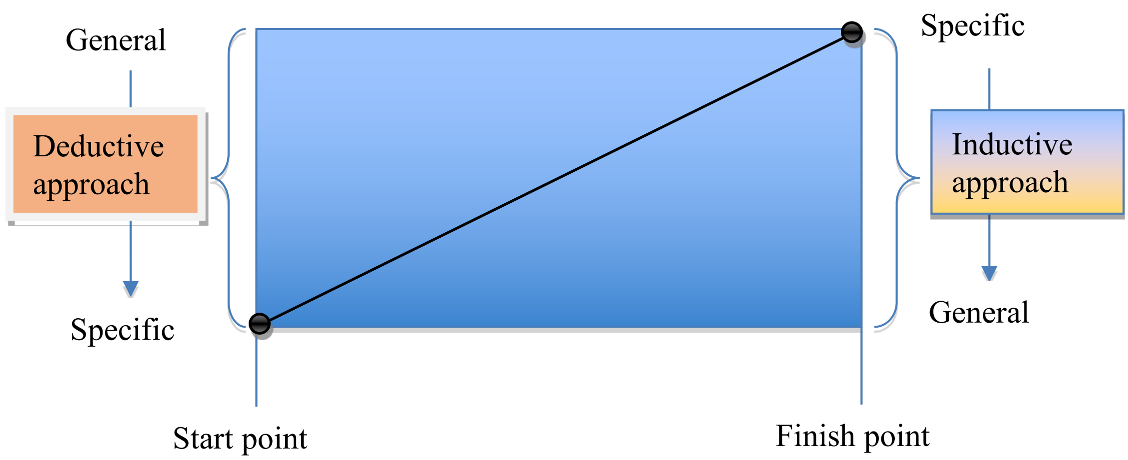
Inductive

Inductive approach application usually considers a starting point with the observations that will lead to the development of theory at the end of the research process based on observed trends. The process generally involves identification of pattern or trends based on observed group and the approach offers the researcher the ability to alter the flow or direction of the study even after the commencement of the research process (Saunders, Lewis and Thornhill, 2012). In practice, the approach is considered as bottom-up approach as the researcher is able to apply the observed trend to develop an abstraction or describe a phenomenon emerging from the studied group (Lodico, Spaulding and Voegtle, 2010).

Deductive

Generally deductive research approach is concerned with the development of hypothesis based on established theory, which in turn the research strategy is built upon to test the research hypothesis (Saunders, Lewis and Thornhill 2012). The approach is applied in testing the possible relationship of links between variables been considered by the researcher (Gulati, 2009) and is clearly associated with logical positivism where scientific quantitative method is applied based on the use of large numbers, meta-analysis and systematic reviews.

Figure 4.1: Application procedure for inductive and deductive approaches



Source: Compiled by author (2018)

Figure 4.1 above explains the starting point of any study depending on the subject matter, general either to specific or to generic. The deductive approach starts with a generic statement, or hypothesis, and examines the possibilities to reach a specific, logical conclusion as depict on the left-hand side of the model. Whereas, inductive approach (right side of the model) is the reverse, and it starts considers specific issues and expand further with the aim of arriving at a conclusion based on the data generated.

In conclusion, when one applies deductive approach the reasoning starts from general principles to specific cases. In developing the study further, literature review of relevant secondary data was adopted in the process. Considering the fact that the Federal Mortgage arrangement was only used in Nigeria with other names in other parts of the globe. Overall, the approach of the literature development adopted considered firstly global perspective around the subject thereafter looked at local context of event in Nigeria (Chiquier and Lea, 2009; Mogaka et al., 2015).

Qualitative research approach

The approach allows close examination of events within the subject area and assist with making meaning of each action which will help in the development of relevant conceptual theory that will guide in offering meaning to phenomenon investigated. This approach could also be referred to as "constructivist", "interpretivism", (Lincoln and Guba, 1985 and Smith, 1983) the method, rather, allows the meaning to emerge from the participants (Creswell, 2003). Furthermore, it is concerned with the interpretation of the subjective experiences of individuals and in this case their perspectives (Grix, 2001).

Locke et al. (2000) and Creswell (2003) observed that qualitative research is characterized by the following: visiting the target participants to conduct the research, which gives the researcher that opportunity to collect data and any other information, required for the study. The data could be from the participants experience about the preparation, design and implementation of the Federal Mortgage Scheme; this method is value-free as the participants and the researcher were involved in an interaction that leads to the collection of textual data, categorization and analysis of text and/or its interpretation of findings using qualitative procedures.

4.4 Research strategy

Based on philosophical reasoning adopted in the study, qualitative (interview) method research approach was adopted for the collection of the study data (Creswell and Clark, 2017). This approach was used in other to gain subjective perspectives of individual participants around the subject considered in the study.

4.5 Research design

A research design offers logical approach around how best to carry out a study to a logical conclusion. The research was divided into six segments that include: assumptions, questions, characteristics and the implication for practice as presented under table 4.3: Framework for philosophical, paradigm and interpretive implication.

Prior to this section, an extensive review of literature on mortgage provision for housing was considered under documents 1 - 4 (both globally and within Nigeria) that aid in the identification of the research problems and to set the research objectives in perspective (Creswell and Clark, 2017). It also identified the appropriate research methods needed to answer the research objectives and different stage for the data analysis (Denscombe, 2007). The final stage considered is the development of a framework. Here emphasis is placed around development and presentation analysed results that addressed the earlier research objectives stated in the study. See table 4.2 below.

Table 4.2: Linkages between assumptions, strategies, stance and data collection instrument and analysis types adopted

Assumptions	Strategy	Stance	Instruments of Data	Analyses
Ontology	Case study FMBN	Subjectivist	Secondary data policy documents interviews	Thematic and content analysis
Epistemology	Case study FMBN	Interpretivism	Secondary data policy documents interviews	Thematic and content analysis
Axiology	Case study FMBN	Value laden bias	Secondary data interviews policy documents (Semi-structure interviews)	Thematic and content analysis

Source: Compiled by Author (2019)

Based on data contained in table 4.2 above, it has become clear that, an interpretivism step was taken by the researcher to choose a qualitative research, by making certain assumptions. For further clarification, see table 4.3 below.

Table 4.3: Philosophical, Paradigm, and Interpretive frameworks

Assumption	Question	Characteristics	Implications for Practice (Examples)
Ontological	What is the nature of reality?	Reality is considered subjective and multiple, based on participants perception	Adoption of quotes and themes based on participants information supplied and evidence of different perspective
Epistemological	What is the relationship between the researcher and that being researched?	Researcher attempts to lessen distance between himself or herself and that being researched	Here the researcher becomes an insider based on collaboration, time spent with participants
Axiological	What is the role of values?	There is an Acknowledgement by the researcher where research is seen as value-laden and that biases are present	It is assumed the researcher discusses openly values that shape the narrative and includes his own interpretation in conjunction with the interpretations of participants
Rhetorical	What is the language of research?	Researcher writes in a literary, informal style based on personal voice and qualitative terms but limited definitions	Researcher uses an engaging style of narrative, may use first-person pronoun, and employs the language of qualitative research
Methodological	What is the process of research?	Adoption of inductive logic is done, studies the topic within its context, and uses an emerging design	Researcher works with particular (details) before generalisations, describes in detail the context of the study, and continually revises questions from experiences in the field

Source: Bryman and Bell, 2011; Creswell and Creswell, 2017 and author's findings

Research methods

The methods adopted was informed from the nature of data required (from objectives/subjective), the nature of the data both qualitative and quantitative, sampling technique this include probability and non-probability, data collection instrument that include semi structured face-to-face interview and archival documents amongst others. Furthermore, the tools employed for data collection include; face-to-face interview and document review (Ericksson and Kovalainen, 2008; Browning et al., 2011).

Data required

These are data obtained from the objectives, which tend to be more reliable (Walliman, 2011). This is because you will be more informed about the facts and these will not be distorted by someone else's interpretation. Relevant literature used in were the development of the research methodology. The research objectives were:

- To determine the affordability of individuals in terms of access to NHF loan.
- To explore a cost-effective means to providing affordable houses to low and middle-income earners.
- To determine the effectiveness of the strategies used by FMBN in creating mortgages.
- To develop a most effective model for housing finance in Nigeria.

4.6 Data collection

Only tools relevant to the study were adopted for the data collection and analysis of processed data. This included the use of face-to-face interview and from secondary sources and documents; data from these sources would be analysed using thematic analysis to meet the stated objectives of the study (Browning et al., 2011). This study identified themes on a semantic level rather than a latent level. The semantic level thematic analyzes data based on the precise meanings of the data and what the participants said during the interview sessions. The analyses are not focused on obtaining an in-depth conceptual thinking, assumption, or underlying ideas as used on the latent level of themes (Braun and Clarke, 2006; Maguire and Delahunt, 2017).

The study employed deductive and inductive inferences to draw from already existing literature. For instance, theories that exist needs to bring about explanation, and the same literature needs to be validated and new findings can also emerge (Spengler et al., 2005; Denscombe, 2007; Collis and Hussey, 2009; Browning et al., 2011).

Instruments of data collection

- Pilot testing

  In order to explore the challenges facing housing finance in the country, a pilot study was conducted with two senior cadre staff within the FMBN. The entire process was conducted in quiet but well-ventilated room with sufficient lighting to ensure the participants are relaxed all throughout the process. At the onset, the participants were each provided with the consent letter and their willingness to take part in the study was gained. Interview protocol was used to provide guide and safeguard consistency using both the research questions and information deduced from review of literature. This approach helped during the process to address relevant themes identified in the literature so far reviewed and are considered relevant to answering the research question.

  During the process, the conversation held were both recorded on a smart phone, which lasted just under 40 minute each. This was considered vital, as cognizance was placed around the impact social conversation is likely to have on the interview duration. To which it was concluded based on these experience time management was well maintained to gain the attention of the interviewee all through the process and to help ass the appropriateness of the questions and gain any suggestions around the research viability. This process further provided the researcher with the needed chance to perfect the ability to conduct in-depth, semi-structured interviews and to build rapport with the informants. Above all, the pilot study undertaken did provide the researcher a platform to learn and perfect the skills needed in conducting successful interview and navigating the conversation flow.

- Interviews (Face to face)

  In conducting research interview, several approaches may be considered and the one that suit the research need is later adopted. These approaches include semi-structured face-to-face interview, structured and unstructured interviews with relevant stakeholders. For the purpose of this study the face-to-face interview (semi-structured) was adopted as the technique for data collection (Marshall and Rossman, 2006; Dillman, 2011; Saunders et al., 2012).

A semi-structured interview using open-ended questions was carried out in this research. The interviews were recorded, transcribed and analysed using thematic analysis. Thematic analysis provides the researcher rich amount of the data collected for analysis (Bell et al., 2018). However, being honest through reliable ways is the best method of presenting findings. Consequently, eleven (11) interviews were successfully conducted with professionals out of the nineteen (19) letters distributed requesting for an interview. These professionals were higher-ranking Nigerian from the positions of Managing Directors/Chief Executives (MD/CEs), Director Generals (DGs), and Directors/Head of Departments from different Agencies, Ministries and other organisations were all participated in the interview. A written consent to record, transcribe and published the outcome of interview in the thesis and future journal publication was obtained from the interviewees (see appendices 6 and 7).

- Review of documents (Archival)

The review of important documents from FMBN were considered and outcome from each summarised and included to meet stated objectives. This method of data collection could be linked to historical review method in order to offer explanation to event that transpired earlier, and most importantly provide one with identifiable purposes, and aid with establishing link with planning issues, which are the focus of the study and subsequently provide empirical content of the library-based argument for the study (Jankowicz, 2000). These are secondary-based data considered for this purpose include government publications and official statistics, newspapers and magazines, records of meetings etc.

- Sampling technique

A purposive sample, a type of nonprobability sample was adopted in the collection of needed information among the target group. The main rationale for adopting the purposive sample is its ability to produce a sample that can be logically assumed representative of the population based on expert knowledge of the population. The participants are drawn in a nonrandom manner that provides sample elements that represents a cross-section of the target group (Lavrakas, 2008). As the name apply only staff that meet the requirement of the study objectives in this case senior civil servants/appointees with oversight functions as it relate to housing finance in the country (Table 4.4). The selected participant was selected because the*y* provide a representation of senior employees within the cadre operating within the industry. (Denscombe, 2007; Yin, 2009; Browning et al., 2011).

The sampling method adopted is that of expert sampling (or judgment sampling). This was done based on the expert knowledge each of the participants is considered as having around the subject under consideration. Their expert opinions or assessment during the process is vital in understanding the role played by each stakeholder in the management and delivery of housing finance as well as individual perspective around possible bureaucratic bottleneck impact on the agreed policies moving forward (Grix, 2001; Denscombe, 2007; Yin, 2009).

- Sampling process of the research participants

Letters were distributed to nineteen (19) individuals requesting for an interview of which 8 declined to take part in the study. The eleven (11) participants that agreed to the interview were drawn from ministry, department and agency (MDA) with associated role in the housing finance delivery in Nigeria (see table 4.4). The characteristics of these individuals that volunteered in the process include MD/CEOs and DGs of these organisations and head of departments. All respondents gave their consent for their responses and the outcome of the research to be published (see appendices 6 and 7 for more details). Below table 4.4 are the Interviewees and their links to housing finance.

Table 4.4: The Stakeholders and FMBN

S/N	ORGANISATIONS	HOW THEY LINK TO FMBN
1.	Federal Mortgage Bank of Nigeria (FMBN)	The only Secondary Mortgage institution in Nigeria.
2.	Ministry of Works and Housing (MW and H)	The FMBN is an agency/parastatal under the MW and H that regulates the Bank on its policy and procedures in governing the organisation in the absence of a constituted Board.
3.	Nigerian Labour Congress (NLC)	NLC is the umbrella body of all the civil servants in Nigeria that fight for the right of workers. They also have to make sure the money deducted from employee's salary is remitted to FMBN and utilized as enshrined under NHF Act.
4.	Central Bank of Nigeria (CBN)	The Central Bank of Nigeria (CBN) gives license, regulates all the Primary Mortgage Banks to engage in Mortgage Business in Nigeria by providing affordable houses, and provides regulatory and operating framework to FMBN through the conduct of routine examination of the financials of the Bank.
5.	Mortgage Banking Association of Nigeria (MBAN)	MBAN is an umbrella organisation that brings together all Primary Mortgage Banks (PMBs) for effectively organising themselves to promote the efficient growth of the mortgage industry in Nigeria. This organ consists of industry leaders and practitioners in the mortgage-banking sub-sector responsible for primary mortgage market operations.
6.	Real Estate Developers Association of Nigeria (REDAN)	REDAN a strategic group of real estate developers is committed to leveraging national development through the provision of real properties and services at the lowest cost of acquisition, ownership and use.
7.	National Pension Commission (PENCOM)	The Pension Reform Act (PRA) is the Apex body that regulates the Pension Fund Administrators and provides guidelines for the investment of the pension funds as stipulated by Section 89 (2)[5] and 89 (c)[6].
8.	Nigerian Employers Consultative Association (NECA)	NECA is the umbrella organisation of employers in the organised Private Sector of Nigeria. With the help of NECA all organisations remit their NHF monthly deduction to FMBN as at when due.
9.	Debt Management Office (DMO)	The office provides short terms to organisation organisations and FMBN obtain funds from the office to finance its mortgage operations.
10	Securities and Exchange Commission (SEC)	SEC is to provide Mortgage Securitization on the secondary mortgage market (interfacing with the PMBs) and the issuance of mortgage-backed securities (interfacing secondary mortgage market with the capital market) to ensure sustainable liquidity in the housing sector.
11.	Premium Pension Limited Abuja (PPL)	Premium Pension is a Pension Funds Administrators that invest pension funds and assets invested in real estate developments subject to the guidelines issued by the National Pension Commission as stated by Pension Reform Act Section 55 (b)[7].

Source: Author fieldwork (2018)

[5]"Notwithstanding the provision of sub-section (1) (c) of this section, a Pension Fund Administrator (PFAs) may, subject to the guidelines issued by the Commission, apply a percentage of the pension assets in the retirement savings account towards payment of equity contribution for payment of residential mortgage by a holder of Retirement Savings Account."

[6]"Apply pension fund assets under its management by way of loan and credits or as collateral for any loan taken by a holder of retirement savings account or any person whatsoever."

[7]"Invest and manage pension funds and assets in accordance with the provision of the PRA Act".

4.7 Data analysis

A step-by-step process and procedures adopted for the analysis of data gathered both processes (archival documents and face-to-face interview) is documented. It is further organised sections that include; analysis of data, coding and the categorisation of information, face-to-face interview analysis and document reviews.

Developing the analysis for qualitative data. For the development of the section, four steps were considered during the analysis of the qualitative data, which was developed sequentially.

These four aspects are;

- Data considered as having high quality impact but easy to analyse.
- Materials that focused on one process at every point in the development.
- Ability to narrow analysis to one part of the process at every given time.
- Ease of comparison of different sub-samples within data set.

4.8 Interview transcription process

After the completion of each interview session, effort was made at transcribing the data collected into written forms in a word document to make it simpler for further analysis (Clark et al., 2017). Self-transcription is considered an essential process as it provide the researcher the ability to review and clean the data and make it easier for the identification of patterns and themes at the end of the process and is seen as "key phase of the data analysis within the interpretative qualitative methodology" (Brid, 2005; Riaz, 2016). The study adopted the transcription protocol as described by Braun and Clarke (2006). The process of thematic process did provide the researcher the ability to reflect on each process as the development progresses. The step considered herein is an adoption of the trustworthiness criteria recommended during each process of the thematic analysis by Braun and Clarke (2006) and Nowell et al. (2017) as evidenced in table 4.5 below.

Table 4.5: Thematic analysis process adopted for the development of the data collected

Phase		Trustworthiness development process
Phase I	Familiarizing yourself with your data	Data transcribing, reading over the data, making note of any new idea
Phase II	Generating initial codes	Triangulation of data, collation of relevant data related to each other
Phase III	Searching for themes	Initiation codes development into potential themes
Phase IV	Reviewing themes	Cross checking initial theme against phase 1 and phase 2
Phase V	Defining and naming themes	Further analysis to refine each theme developed and generation of clear definition of theme
Phase VI	Producing the report	Final analysis of selected extract and production of scholarly report

Source: Contained adopted and refined from; Braun and Clarke (2006) and Nowell et al., (2017).

4.9 Analysis of transcribed data

The use of thematic analysis allowed for the development of themes based on the data collated from each interviewee. The process allowed the identification of repeated ideas; indigenous terms, metaphors and analogies; shifts in topic; and similarities and differences of idea raised among the participants. NVivo software was used to undertake the thematic analysis based on the transcribed files earlier developed from each of the interviewees.

4.10 Ethical issues

The participants were fully informed using a consent letter that introduced the researcher, and the purpose of the research. In addition, further information around what the research is seeking to examine and how the contribution of the participants will support the research were made available to each participant which allow them the chance to make up their mind on the study participation (see appendices 3 and 5). The informed consent also set out the details of the research and the participants' level of involvement.

The researcher obtained approval from the participants that their data (e.g. Name, organisation, working experience, biography etc.) would be mentioned (see appendices 6 and 7) and used for the benefit of the research study or for the purpose of journal publications. Nevertheless, due to the confidentiality of individuals, the researcher decided to code the respondent's names (e.g. Respondent 1 as R1, Respondent 2 as R2 etc.). Furthermore, prior to commencing the interviews, a letter of ethical approval was obtained from the Nottingham Business School, Nottingham Trent University to obtain data from the participants.

In line with the use of personal data and storage as spelt out in the Data Protection Act 1998 in England, Wales, Scotland and Northern Ireland, the researcher is aware of such legal obligation and would treat all information in confidence (Data Protection Act, 1998). Furthermore, the survey was conducted in Nigeria and data was adequately protected by the privacy rights of participant in accordance with section 5; Part 1 and 2 of National Information System and Network Security Standard and Guidelines in Nigeria (National Information Technology Development Agency of Nigeria, 2013).

However, it should be noted that no respondent was forced to give any information as it was on their discretion to respond or not. No one was forced to give responses, which were not theirs, as all information used in the study was obtained from each willing respondent. Data entry was checked for accuracy so that the responses were entered in a precise manner (Saunders et al., 2012; Bell et al., 2018). The researcher is an employee (Public servant) of the Nigerian government authorities (FMBN), so it was his ethical duty to keep the data confidential and safe from any third party.

4.11 Problems encountered and the limitation of the interviews

The researcher based on the interviews conducted identified some key issues and limitations. They are:

- ***Population size:*** Respondents were chosen purposively being the CEOs of various organisation as they relate to housing/Mortgage Finance institutions in Nigeria. Their years of experience in the organisation is also considered in carrying out the survey. The major obstacle of this approach is that other professionals and major players were excluded which will mean that their opinions and knowledge are excluded. These could have contributed to the knowledge of housing finance and to this study. Furthermore, due to constraints in the number of respondents, the outcome of the study would not be used to generalize the result.

- ***The time constraints:*** A major constraint of this study is the limited time to collect all relevant materials and pieces of interview. Most of the participants did not respond back whether to participate or not, which also affect the quality and the outcome of the study.

- ***Accessibility and availability:*** The nature of this research work needs the input of senior officials/professionals in the housing industry. Furthermore, most CEOs were not readily accessible and unavailable when contacted severally. This was due to their busy schedule but assigned their deputies to represent them. This also led to booking and rescheduling of appointments, which consequently delayed the interviews. Some of the participants were not within the same location, which led to the researcher travelling to different locations in Nigeria to meet with them.

- ***Reaction of the respondents:*** Some of the respondents did not give an objective view of what the researcher asked them. Some also reacted adversely when questions were asked on the areas where there are skills gap or they have less knowledge, which tend to affect the study.

- ***Distractions/obstructions:*** Due to the busy schedules and nature of work of the respondents, I had to honor invitation at their personal residences and that led to distractions, which also affect the outcome of the study. Furthermore, some of the respondents had to intermittently receive official calls either on intercom or from their cell phones to respond to their official work.

4.12 Validity and reliability of the instrument

The relevance of this instrument (the secondary sources and the face-to-face interviews conducted with experts in the mortgage industry in Nigeria) to this research was to ensure its reliability as well as its validity. Validity is a major central key success for any research work is to confirm that the methodology is justifiable and valid. Several methods for validating qualitative data have been reported (Creswell and Clark, 2017).

***Internal validity*:** In general, this relates to set of variables considered in the study. It was achieved based on the research objectives considered in the study as well as addressing each in the literature review to provide direction and focus.

External validity: The extent to which the research findings could be generalized (Yin, 2009) to other developing countries is termed external validity. It is considered as common application in qualitative research (Bryman and Bell, 2011).

Furthermore, multiple sources of data were used in addition to the archival documents and face-to-face interview. Data was collected and analysed from both secondary sources and experts from the Nigerian mortgage industry, which supports theories identified and confirmed from literature.

Reliability of the instrument

The entire research process shows a systematic justification of the adoption of each approach, strategy. The progression of the methodology at the early stage in this chapter to provided transparency to, thus ensuring reliability. This is what 'Reliability' is all about. The reliability of the instrument talks about the degree to which a set of variables are consistent and how they are intended to be measured (Klenke, 2016). It refers to the repeatability of findings.

Steps were taken to improve the reliability and minimise bias from been introduced in the entire process. The researcher ensured that each interviewee was presented with the rationale for the study as well as sought their consent to take part in the study while reassuring each of their confidentiality and right to withdraw from the study at any given time (see appendix 5 for more details). Moving forward, effort was placed at presenting same questions to each participant all through the process with conscious effort placed at ensuring that bias views are always directed away each time it was sensed to have been introduced during the interview session.

At the end of the interview, the information collected where transcribed verbatim and read over for accuracy. During the process, any incomplete response from each interviewee was transcribed to the best of the researcher's knowledge. Sounds that are not verbal, background sounds or overlapping speech were not included in the transcript (e.g. sighs, laughter or coughs) and foreign words as used by each interviewee were not included in transcribed data. These include slangs, misuse of words and grammatical errors. In addition, exclamations such as mhm, am, aha ermm, oh, naah, walahi were as well excluded in the transcript to ensure accuracy of information considered. At the end of the transcription process, qualitative analysis was carried on the data through thematic analysis.

CHAPTER 5 DATA PRESENTATION, ANALYSIS AND DISCUSSION

5.1 Introduction

The purpose of the qualitative data analysis is to develop a model for housing finance in Nigeria by examining the challenges encountered in the Nigerian mortgage industry. This was achieved by validating the highlighted challenges of housing found in the literature and the previous DBA documents, which were in the form of financial, procedural and structural challenges. This chapter is focused on the analysis of the data based on the methodology adopted in chapter 4 of this study. The next section presents the analysis of the participants. The third section presents a preliminary analysis on; the individuals' affordability of housing, the effectiveness of the existing housing strategies in the country, a cost-effective means of providing affordable houses to low and middle-income earners and to develop a most effective model for housing finance in Nigeria. The fourth section discusses the main findings of the study. The fifth section summarizes and concludes the findings of this study with a conclusion and recommendations. Finally, future areas of research are suggested and presented.

5.2 Presentation of data analysis

The structure of the interview was designed to obtain information used to analyze data collected from the interview and to make meaning from each interview. The purpose of the interview was to address two key research questions; *what are the strategies for prioritization of loans? In addition, what is the housing finance model currently used in Nigeria?* The main objective here is to determine the affordability of individuals in accessing NHF mortgage loan, and to determine the effectiveness of the strategies used by FMBN in creating mortgages and to explore a cost-effective means of providing affordable houses to low and middle-income earners. In addition to this, the data aid in the development of model for housing finance in the Nigerian context.

The study mainly concentrated on the issues regarding the main themes related to the research objectives and the literature review, these include affordability and strategies used by FMBN. Different categories of individuals were interviewed from various organisations and their individuals' responses transcribed and informed the data presented herein. The researcher started by asking the interviewees, how can FMBN be improved to meet its objectives? FMBN objective is "to supply the mortgage and housing markets with sustainable liquidity for the advancement of home ownership among Nigerians anchored on mortgage financing". The idea here is to have different opinions from the participants on the activity of FMBN and the housing industry at large.

The researcher started by introducing himself as a research student and the purpose of the study to all the respondents and the consent form was also signed (see appendices 5 and 7). Each participant consent to digitally record the interview, to mention their names and brief bio-data in the thesis and future publications (see appendix 6). The aforementioned is applicable to all the respondents.

5.2.1 Assessment of individual affordability in terms of access to NHF loan

Based on existing data and response by the interviewees, the affordability of NHF loans by individuals is considered a big challenge that hinder most willing individuals from accessing the loan. Most respondents view that not all workers in the middle or low-income groups in the country are eligible for loans and that only a few individuals in the middle-income cadre can afford these loans. In addition, most of the respondents further suggested the need to redesign the development of quality low-cost houses by property developers across the country. On the other hand, majority of the respondents did not support the need for increasing the level of the monthly NHF contribution by Nigerian workers as this cannot be sustainable under the current salary structure at both tiers of government in the country. Response put forward by one of the participants (R3) described that many low-level employees might find it difficult to be eligible for affordable housing under the current NHF scheme.

> *"Most level 3 to 7 Federal Government civil servants with their promotion, their one third (1/3) aggregate salary is N988, 000 (not up to N1, 000,000) per annum. Even with FMBN interest rate is still the lowest (6%) in the country, it is not possible" (R3).*

The issue of affordability was generally considered as a major obstacle as cited by Crush (1992) and Austin (2009) to which it was supported by R3 response in the present study. The respondent further opined that employees from grade level 3 - 7 (the lower group) that apply for rental properties, are not able to meet with such plan considering that their salary is considered meagre and it is likely to take up to 8 years before they are able to meet the basic target set by the scheme. In addition, employees from level 15 - 17 (from Assistant Director, Deputy Director and Director) who apply for mortgage loan which it takes them 4 years to get promotion to the next level, so when aggregated it from level 15 - 17 this will mean 12 years before they are able to meet with the set target to access the scheme. Based on this submission, R2, R4, and R7 agreed on that stated by R3 around the eligibility status of employees in the civil service that may not allow them to afford low-cost houses. However, some participants are of the opinion that NHF collection will require upward review for participants to be able to meet with the target set by the scheme. Whereas R9 viewed the increase as not feasible because it might have adverse negative effect on their earnings.

> *"Increasing the NHF contribution would only translate to increase in the growth of pool of funds and it would not affect individual affordability but lead to individuals not having easy access to mortgage loans" (R9).*

Furthermore, other participants R4, R5, R7, and R8 supported the views presented earlier by R9 that the increase in NHF may not yield good results. To this, R5, R7 and R8 further suggested the need to redesign the existing strategy by developing cost effective and sustainable houses for NHF contributors rather than the substandard houses provided for through the existing mortgage scheme.

Considering the submission made by each respondent, there is also the need to encourage participation by employees in the housing scheme to develop a saving culture to enable them meet the target deposit needed to access loan from primary mortgage lenders. The PMBs on their part should consider a sustainable strategy that target those working towards savings for home ownership. Both respondents R5, R6 opined that the earning capacity of an average Nigerian worker is hardly sustainable, and will not be enough to cater for their daily needs and allow room for adequate savings be made towards home ownership. This present another view on the subject. While FMBN get its funds through remittance from employers of labour through employee's monthly NHF deduction of housing contribution, it needs to be stated here that there are no subsidy or funding which is derived from the government and this also is another setback in achieving its housing delivery goals.

In addition, both respondents R2, R3 and R8 share similar opinion that to address the issue of affordability, NHF contribution by individuals should be decentralised according to the earnings of individuals or stratify and categorise for efficiency according to grade levels so that individuals can afford to have a house. As in practice, the application of flat rate of 6% interest charge (as stated by the NHF Act 1992), organisations paying better salaries (e.g. Federal Government agencies/parastatals) can have higher rates (above the current 6%) while State Government and Local Government employees that receive lower salaries can maintain or pay lower rates (6% or less). Assuming FMBN has the capacity to only approve 100,000-mortgage loan applications and over 1 million applicants apply for the loan, and the processing of the loan is always tied to availability of funds, which simply means that only fewer applicants can be granted approval. The respondents further stated that when the interest rate is too low the objective of NHF might not be achieve which they suggested that FMBN needs to propose an increase in the interest rate above 6%. Because individuals that contribute lower amount would want to apply for higher mortgage. Lower interest rate below the current 6% may not be realistic and practical in the current market as the Monetary Policy Rate (MPR) is 14% as at 2017 and that is why even the 6% interest rate charge by the FMBN is not sustainable considering the rate of inflation in Nigeria (CBN Monetary Policy Rate, 2017). To add to this respondent R7 stated that;

> *"the Architect and Quantity Surveyors would also need to come up with a design for affordable house within the ranges of N1 million to N3 million to enable employees at lower level to own a home considering the prevailing state of the houses so far built are not affordable and are of lower quality, unsafe, and unhealthy"(R7).*

Another view as taken on the subject by respondent R1 was of the opinion that to address the issues around affordability of loan, there is the need to develop an "affordability matrix" template for NHF applicants when accessing the FMBN portal and input their monthly earning, age and house price each applicants are applying for the mortgage. This strategy if considered will help reduce the turnaround time and reduce the application processes. The advantage to the matrix application at the onset will provide each applicant with range of affordability option based on the earlier data provided. Respondent R3 drew conclusion based on his independent analysis of housing affordability for Federal Government employees and surmised that:

> *"Based on present civil service remuneration package, the only group of individuals who are likely to afford houses on the schemes are those from the ranks of Assistant Director (AD) to Permanent Secretary (in the Ministries). I (R3) realised it and called my Minister's attention to it and advised that is better he direct developers that, we (in the Ministry) want affordable houses in the region of N2, 000, 000 to N3, 000, 000 within the reach of majority of employees (low and middle-income earners) both at State and at Federal level".*

According to R3, as their career progress, for example from Director cadre to Permanent Secretary on a salary of N192, 000 per month is considered as not adequate to meet the affordable housing contribution while they are still active in service. Hence, effort to improve employee's salaries would improve their affordability. Most respondents suggested that the architects and quantity surveyors could also be encouraged to come up with a design of affordable homes within the ranges of N1 million - N3 million per unit to enable employees at lower level the opportunity to own a home. Another method to raise funding for FMBN could be achieved by increasing the contribution rate as suggested by other respondents, which R9 argued that workers feel the NHF contribution rate to FMBN has gone up and present the potential to have further effect on their monthly income. However, increase in NHF contribution would only translate to increase in the growth of pool of funds and it would not affect individual affordability but lead to individuals not having easy access to mortgage loans.

5.2.2 Assessment of cost-effective means to providing affordable houses to low and middle-income earners

In general, the respondents both raised their concern over the low level of capitalisation in the housing industry. Overall, they expressed their worry on the over reliance of FMBN on the NHF as the sole source of income. In addition, the respondents opined that there should be alternative options for improving the current situation of the lack of funding for the bank in order to provide affordable houses at reasonable rates for low-income earners.

In addition, R1 indicated that in Nigerian context at present there is a huge housing deficit of about 17 million. Majority of the individuals with no access to housing falls in the low-income earners. He stated further that, major factor that contribute to this problem could be related to the low level of capital injected into the housing industry by the Federal Government (FG). Here, the major contributors to the capitalisation of FMBN are FG, Central Bank of Nigeria and the Nigerian Social Insurance Trust Fund (NSITF). In furtherance, R2, R4, and R5 agreed with R1 that there is a reluctance from the side of the FG in assessing other promising avenues to address the under capitalisation of the bank. Without an adequate capital backing the banks, the housing deficit will continue to raise. This view was earlier affirmed by R7 that;

> *"The under capitalisation since the beginning of the time of the bank..., it has been undercapitalized. the FMBN capital base of N5 billion may not be definite and enough for a mortgage institution that will provide housing to Nigerians. About 182 million people in Nigeria and no payment of share capital by shareholders? I learnt only Federal Government paid, even at the N5 billion share, this means only 50% of the N5 billion is paid" (R7).*

Another respondent, R3 opined that there are massive opportunities in the pension industry left untapped in the area of housing itself could create a boom in the Nigerian economy. However, there seem to be valid agreement among several respondents; R5, R7, R9 and RI0 with what R1 earlier postulated alluding a stance, that such financing could be achieved only by securitising and making the funds available as an investable instrument to pension fund companies where individuals could invest in the fund.

> *"For example, FMBN could have NI00 billion, fully packaged, and disbursed N80 billion, securitized and sell them as financial instrument. That means FMBN will be getting back the N80 billion in cash which simply means there would be more liquidity to roll another N80 billion or more" (R3).*

In addition, R3 added that the best option to address this deficit is for government to pay for their counterpart funding. Further to this, respondents; R1, R4, R7 and RI0 share same opinion that Government intervention fund is needed in the housing industry towards solving the housing deficit in the country just the way it funds other industries in the economy.

> *"Government intervention in industries, Agricultural, Entertainment and Aviation among others. Nigerian Government did not adequately fund FMBN, for this reason*

there is no availability of funds at a very low interest rate. The same way the Nigerian Government developed and funded the Bank of Industry (BOI), the Government could also fund FMBN by recapitalizing and injecting sufficient money that can fund housing finance" (R7).

In this regard, the lack of financial commitment of the Nigerian government and other relevant institutions in the real estate sector might create a negative ripple effect on the low-income earners' affordability to own a house if a cost-effective method of addressing these problems are not adopted.

5.2.3 Determination of the effectiveness on existing strategies employed by FMBN in creating mortgages

Majority of the respondents were of the view that the strategies adopted by FMBN to complement the NHF scheme were plausible initiatives that made a level of impact on lower income earners even though the NHF is the most popular and established strategy employed by the NHF. They also viewed that for majority of Nigerians in the lower income cadre, they are unable to afford descent homes due to their low level of basic salary. There was also a consensus by the respondents on the FMBN's inefficiency in their financial obligation of providing timely funds for enhancing housing provision. Added to these are some of the respondents' views that, the intended impact of these strategies was hindered by political interferences which generally distorts the effectiveness of the strategies especially the Estate Development Loans (EDLs); FMBN Home Renovation Loan (FHRL); Rent to own a house and Cooperative Housing Loans. Most of the respondents are of the view that the process of disbursing loans (i.e. PMBs and Estate Developers) are usually blighted with political inclination and improper documentation and lack of standardised competency verification of estate developers. The process is also affected by the insufficient funding of the existing scheme as initiated by the Bank, which present a further setback for such strategy to be effective. To this, respondent R2 lend his voice saying...

"There is lack of confidence to provide FMBN with more funds to manage because of the fear that those funds will go down the drain".

This assertion was based on past antecedents that affect negatively on earlier strategies considered, of which the housing sector in the country is yet to overcome. To add to this, respondent R1 also opined that the best strategy to restore people's confidence in the Bank is by taking it on a journey of self-reinvention hinged on a four (4) point agenda around; corporate governance, banks profitability, operational effectiveness and debt recovery. Furthermore, the respondent (R1) further add that, as the Head of the Bank, as at February 2016, the contribution collected was around N10 billion (naira) and at the time of the interview (March 2017) the funds grew to about N43 billion. This was made possible partly due to combination of strategies adopted around governing the institution in line with the rules and regulations of the bank to restore people's/costumer confidence around several schemes they are beneficiary and in addition to adhering to the rules of the institution. Respondents, R3, R5, and R6 also made similar assertion however, each respondent are of the view that the inefficiency witnessed in the delivery of the schemes was due to the bank's financial status that rendered the products offered inefficient. While the government drive is for the Bank to meet the housing demand of Nigerians by 2030, with housing delivery target of 20 million units yearly. At the present pace at which the capital base of N5 billion stand, it is almost impossible to conclude that FMBN finance stance will be enough to meet with the set target.

Another major challenge highlighted by respondents R5 and R6 on the bank's financial obligation was their take around the lack of affordability by the workers to apply for affordable house built under the scheme, which is another bigger challenge for individuals to own a home in Nigeria. In addition, respondent R5 presents a view that the earning capacity of the average worker is not sufficient and where such employee makes effort to contribution based on percentage of monthly earnings, it is likely to be insufficient to meet the target set by the lenders to enable acquisition of a house, as there are no subsidies from the government. On the other hand, R2 agreed that the initiatives of the bank on new products were important in addressing the issue of providing affordable homes, there exist a major political obstruction on the effectiveness of the products provided by FMBN. On this response, R1, R5, and R8 agreed with R2 on the key role of politics and bureaucracy on housing delivery in the country. In addition, R1, R2 and R5 attributed the effectiveness of FMBN's strategies to the ease of reducing the burden of mortgage loan was done by granting individuals loans to renovate their homes.

"The product was introduced during our tenor but it was partly political because of the agitation of many NHF holders that they did not enjoy any sort of mortgage from the Federal Mortgage Bank" (R2).

Another insight presented by several interviewees focused around collaboration between estate developers and the government for land acquisition, which in their opinion if properly harnessed and managed to plan, it holds the potential to bring down the cost of home delivery. To this, respondents R1, R8, R9, RI0 and Rl1 share similar opinion that *Land is an asset that needs to be improved and when government allocate land for mass housing, the developer will be expected to come up with creative ways of immediately developing the land sustainably.* However, the issue of slow or lack of land allocation for estate development within the country is seen as major setback in construction finance. Going by the nation constitution, only State Governors has responsibility of issuing Certificate of Occupancy (C of O) and overcoming this process comes with several bureaucratic and in some instance political hurdles. To this, it can be said that acquisition of land (C of O) is a major constraint that is militating against access to affordable land for housing development. To overcome this setback some respondents are of the opinion that a strategy to establish a Land Bank is eminent through collaboration with the Government through Public Private Partnership (PPP) programme, which will also bring down the huge cost associated with owning a land.

The present study further revealed that while the Federal Government of Nigeria paid its equity of N2.5 Billion Naira into the National Housing Fund (NHF) however, the Central Bank of Nigeria (CBN) and Nigerian Social Insurance Trust Fund (NSITF) lack of meeting payment of their shareholders equity pose major setback to the home delivery initiatives. Another strategy to increase the bank capitalisation is by engaging banks and insurance companies through their regulators to contribute to the fund as stated by the NHF Act (1992), which in the end expected to grow the NHF. However, the sustenance of the NHF Scheme through the NHF monthly contribution by employees is viewed as not enough to fund housing developments target. Hence, enforcement of NHF remittance should be a major area to concentrate effort and can achieved only with Government support as affirmed by majority of the respondents.

The existing strategies may have some impact to some extent. However, the level of inefficiency of the financial commitment of the bank to fund mortgages may be a huge challenge added to the unaffordability nature of the earnings of the average low-income earners in Nigeria. In the light of this, unwarranted political interference if allowed to prevail in the management of housing finance and mortgage scheme initiated by FMBN toward the delivery of affordable homes, could lead to the inequitable provision of loans to the right individual.

5.2.4 Development of an effective model for housing finance in the Nigerian context

Most of the respondents welcomed the idea of developing an improved model of housing finance. They also agreed that an improved housing reform could aid in addressing the loopholes in the housing industry in Nigeria, and while establishing an ideal housing model, majority of the respondents suggested the need for improvement on the existing bundled model of housing instead of opting to an unbundled system. Majority of the respondents also suggested taking an inspiration from both developed or developing countries such as the public private partnership and an investment in technology in enhancing the existing initiatives. They also suggested the need for more awareness creation for the existing housing model in the country.

R3 is of the opinion that the existing bundled model used in Nigeria is ideal but with needed improvements especially in the area of information technology.

> *"the bundled structure for mortgage industry in Nigeria is more acceptable and it's much simpler to deal with as we have only one Mortgage Bank in order to have some level of control since it has some key lapses at the moment especially with IT... rather than migrating to an unbundled model" (R3).*

This was largely supported by R4, R5, R6 and R7 that maintaining the existing model would be an appropriate strategy within the context of Nigeria. In view of the above, R1 argued for the need to revisit the existing laws and guidelines within the housing industry specifically on mortgage.

> *"Nigerian government needs to be committed to reforming the mortgage sector, restructuring the board of FMBN stakeholders as executive or non-executive directors so as not to work in isolation....and importantly, there is a cumbersome and weak legal/regulatory framework for land acquisition" (R1).*

R2, R4, R6 and R8 agreed with the view of R1 on the involvement of stakeholders on implementing the policies of FMBN. R8 suggested that in the course of restructuring the FMBN and housing industry at large, there is a need to consider adopting a public private partnership in different areas of housing provision.

> *"once you inject private sector participation in housing in the form of public private partnership just like in Malaysia, it gives room for better management of funds, improved efficiency and it increases availability of funds and low-cost houses" (R8).*

R2, R3, and R7 also agreed with R8. In view of this, R2 added that PPP with ICT involvement would also be fundamental in cutting the cost of acquisition of land. However, there is also the need to ensure a robust system is in place to monitor implementation of this strategy as viewed by all interviewees.

> *"The best strategy FMBN can adopt in term of providing low-cost houses is by collaborating with the three tiers of government to provide land for estate development and invest on a robust IT software that would enhance this process through REDAN" (R2).*

R1, R8, R9, RI0 and Rl1 echoed this opinion further on the need to revisit the procedure of land acquisition and development. Outside this, the view of many for any proposed initiative to be operational and provide the needed output the bank's headship stability should be encouraged to ensure enough time is given to the head to implement strategy initiated to maturity. In addition, R1, R2 and R7 are also of the view that the leadership of the Bank should come from within the organisation or they should be core bank professionals, in order to maintain professionalism. Respondent R1 is also of the view that Nigeria is currently operating a mixed system model and there are two fundamental issues with the system that affect 1) inadequacy of funding and 2) funds misapplication. Both factors if allowed to prevail can lead to bad debts and for the bank to remain in business; it has to demonstrate the adequacy of its finance and the application transparency and accountability around its finance disbursement. This can be overcome by considering the right leadership structure and allowed to operate without political interference.

Table 5.1: Ratings of respondents relating to the performance of the FMBN

S/N	Respondents	Delivery of low cost NHF funded houses to beneficiaries (Low, Medium and High)	Prompt processing of NHF Applications (Low, Medium and High)	Timely approval of NHF mortgage loans (Low, Medium and High)
1.	**Respondent 1**	Low	Low	Moderate
2.	**Respondent 2**	Low	Low	Low
3.	**Respondent 3**	Low	Low	Low
4.	**Respondent 4**	Moderate	Moderate	Moderate
5.	**Respondent 5**	Low	Low	High
6.	**Respondent 6**	Low	Moderate	Moderate
7.	**Respondent 7**	Moderate	Low	Low
8.	**Respondent 8**	Moderate	Moderate	Moderate
9.	**Respondent 9**	Moderate	Moderate	Moderate
10.	**Respondent 10**	N/R	Low	Low
11.	**Respondent 11**	Moderate	Moderate	Moderate

Note: N/R = No Response

Source: Authors fieldwork (2018)

Table 5.2: Opinion of respondents as it relates to the recapitalisation of FMBN

S/N	Respondents code	Strongly Agree (1)	Agree (2)	Neutral (3)	Disagree (4)	Strongly Disagree (5)
1	Respondents 1	❖				
2	Respondents 2		❖			
3	Respondents 3	❖				
4	Respondents 4	❖				
5	Respondents 5	❖				
6	Respondents 6	❖				
7	Respondents 7	❖				
8	Respondents 8		❖			
9	Respondents 9	❖				
10	Respondents 10	❖				
11	Respondents 11	❖				

Note: the rating starts from 5 - 1 for each rating with 5 - Strongly Agreed, 4 - Agreed, 3 - Neutral, 2 - Disagree Strongly and 1 - Disagree.

Source: Authors' Field (2018)

Table 5.1 above showed the ratings of respondents relating to the performance of the FMBN based on face-to-face interviews conducted. Furthermore, findings contained in the table (5.1) indicated respondent rating the performance of FMBN as between low and moderate. The performance was rated in line with the delivery of low cost NHF funded houses to beneficiaries, prompt processing of NHF applications and timely approval of NHF mortgage loans, which FMBN need to improve her performance in respect of the above findings.

Drawing from the literature and findings from documents (1- 4), the conceptual framework did not state the level of effectiveness of the strategy employed in addressing the strategies FMBN is using in creating mortgages and the better alternative way to improve in mortgage creation. Using the Likert's scale rating of the respondents (see table 5.2) and findings from the respondents, this added value and meaning that led to easy modification and development of the conceptual framework. The conceptual framework was in line with the present realities in the mortgage industry into a framework, which also gives a new relationship amongst different components of the housing market.

The framework developed was derived from the face-to-face interview, which revealed that individual's homebuyers have various options to acquire mortgage loans through available strategies presented in chapter 2 of this study.

Summary of the findings

This section presents the findings of this study. The researcher conducted 11 semi-structured interviews with the key stakeholders in the housing industry in Nigeria in order to identify the affordability of individuals, the cost-effective methods of providing mortgages, the effectiveness of the strategies used by FMBN and the suggestion of a most effective model for housing finance in Nigeria. Below are summaries of the main results found from the interview sessions:

- The FMBN's capitalisation rate is insufficient to cater for the housing industry in Nigeria.
- The NHF applicants pay higher equity contribution in accessing mortgage loans making it difficult to be effective.
- Political interference in the activities of FMBN were major challenges hindering the positive impact that the bank's strategies intend to make.

- The bundled model is still regarded as the most preferred model of housing among others with a need for improvement.
- Majority of the respondents also suggested taking an inspiration of public private partnership from both developed or developing countries.
- The houses offered by property developers are substandard with little or no social amenities for low-income earners.

It is hoped that the combination of these suggestion would go a long way in championing and revamping the operations of FMBN towards achieving effectiveness in mortgage financing in Nigeria.

5.3 Discussion of the main findings

This section is purported to discussing the main findings of this study, which explains the development of the final framework based on the outcome from the findings gathered in chapter 3 and section 5.2 of this document. However, the discussion will be in three (3) categories: Financial, Procedural and Structural challenges as outlined in the previous documents. The financial challenges highlighted the financial constraints encountered by FMBN in successfully delivering quality and affordable houses to low and middle-income earners. The procedural challenges emphasis the difficulties that NHF applicants experience in the process of obtaining mortgage loans. While the structural challenges describe the problems associated with the quality and the standard of the buildings provided by estate developers. These key challenges are discussed based on the findings obtained in this study and to aid the development of a sustainable model for housing delivery taking cognizance of the prevailing challenges in the housing sector.

5.3.1 Financial

The financial challenges found in the present study could be viewed from two perspectives. Firstly, the perspective of the FMBN as a bank itself and the perspective of the NHF contributors is seen as a setback that require review to meet with it mandate as a primary mortgage lender. Secondly, the study found that majority of the respondents' concern was centered on the low level of the FMBN capitalisation rate. This finding indicates that the funds available for FMBN is inadequate to deliver sustainable housing needs of individuals seeking for NHF based houses. Based on the affirmation from one of the respondent (R2), there is currently a housing deficit of about 17 million in the country. The PMBs possess a N5 billion-naira capital base while commercial banks have a base of N25 billion naira. This finding is in line with the findings of Daud et al. (2017) that there is little or low bank loan from the relevant institutions to support housing in Malaysia.

However, the finding contrast with that of Hilber and Schöni (2016) as they attest that the U.S government could inject as much as \$100 billion into the housing sector through their policies. This is so because the Nigerian economy is not as big as the U.S economy. A respondent (R1) suggested the need to access Pension Fund Investment and Government intervention funds to mitigate the low capitalisation rate in the sector as the bank needs to make profits to have more funds for the growth of mortgages under the NHF. This could be achieved by securitizing and making the funds available as an investable instrument to pension fund companies where individuals could invest in the fund.

In addition, it was found that the NHF applicants pay higher equity contribution to obtain houses rendering the houses unaffordable. For instance, R5 opined that the average capacity of the civil servant might not contribute comfortably towards acquiring a house, as there are no government subsidies. This is consistent with the finding of Cai and Lu (2015) that individuals with very limited income may find it difficult to spend on the cost of houses. They are of the view that house prices could take away greater than 30% of household salary thereby inducing housing affordability issue. This thesis was conducted in a developing country Nigeria that may be similar to Cai and Lu (2015) conducted in a Chinese municipal city Wuhan province. In addition, the study used an existing survey on housing applicants. The outcomes of the study may be valid but because Cai and Lu (2015) used quantitative studies to infer the lack of affordability of houses, the results might not be probed. However, this study used semi- structured interviews to obtain deeper insight into the information provided than surveys.

5.3.2 Structural deficiencies associated with affordable homes built

Outcome from the study found that the houses offered by property developers are mostly substandard with little or no social amenities considered during their development for the use of target homeowners[8]. Finding drawn herein, were found to correlate the earlier conclusion made in other studies across the country (Wapera et al., 2011; Daniel et al., 2014; Omolabi and Adebayo 2017 and Saidu and Yeom, 2020). In addition, the delivered homes in most instances have not considered the end used socio-cultural factors such as attitudes, tastes, beliefs, behaviour, lifestyle (Rahman et al., 2019) etc., which also present challenge in the daily running and maintenance of homes already delivered.

There is no close supervision or monitoring from the regulatory agency in terms of the conditions of the low-cost houses built. This finding is in line with prior studies that the lack of an adequate, safe, and standard house for the lower income individuals may negatively affect the housing sector (Hingorani, 2011; Gopalan and Venkataraman, 2015). Both studies share some similarities with this current study as they are all conducted within a housing system that embraces the bundled model of housing finance, in India and Nigeria respectively. The Ministry of Housing and Urban Poverty Alleviation oversee housing policies and programmes in India. In the case of Nigeria, the Federal Mortgage Bank of Nigeria (FMBN) oversees it.

However, numerous housing programmes exists in India for different income categories of individuals (RAY, Basic Services for the Urban Poor, and the Integrated Housing and Slum Development Programme), while the Nigerian mortgage system placed high emphasis on the NHF scheme only across all income groups (Waziri and Roosli, 2013; Gopalan and Venkataraman, 2015). Therefore, this finding and observation has several implications for the Nigerian housing finance system. This may be why respondent R7 suggested the need to involve professionals in developing basic quality houses within the range of say N1 million to N3 million naira in order to cater for the needs of lower income individuals. Ajayi and Omole (2012) also supports this view that sustainable development in building affordable houses are important for the success of housing finance.

---

[8]For more details, refer to the outcome of Document 4 (A Piece of Quantitative Research) in 4.1.5

5.3.3 Procedural

In regards to procedural challenges, it was found that political interference in the activities of FMBN were the major challenge hindering the positive impact of the bank. Especially for Estate Development Loans (EDLs), majority of the developers end up not providing sufficient documentation requirements because of their links to politics. This finding contrasts with the results of the study by Marais et al. (2005) of the absence of political reasons in the processes of mortgage bonds. However, it is consistent with Chavas and Rose (2018) that political interests influences banks' mortgage and lending decisions. Mortgage loans are important in reducing housing deficit; however, Chavas and Rose (2018) studied the credit growth of the recipients of the Troubled Asset Relief Program (TARP) only within the banks' district. The results might be different if the scope of the study was extended to a regional study and recipients outside the banks' district.

This present study focused on a wider view of the key stakeholders in the Nigerian mortgage sector instead of one bank or institution. In this study majority of the respondents agreed that political obstructions do exists in the course of obtaining loans from various strategies beyond EDLs such as Cooperative Housing Loans, FHRL and the Rent to own a house programme. Therefore, this finding has implications for FMBN. Rahman et al. (2019) earlier identified the influential role played by both political and legal systems of a country and its impact on business environment especially where there is absence of political stability it can greatly affect housing finance institution.

In addition, it was found that an improved bundled model of housing is the most preferred model than another model. This is in line with the study of Gopalan and Venkataraman (2015) on the prospects of the bundled model inspired programs in India. However, the findings contrast with Hilber and Schöni (2016) as they present the merits of the unbundled model of housing used in USA. However, houses in USA could not be rescued from the financial crisis of 2007 to 2009 through the schemes in the unbundled models adopted in such a strong economy (Rappoport, 2016). Therefore, maintaining the existing bundled model could be ideal but with improvements especially with the integration of IT in the mortgage system.

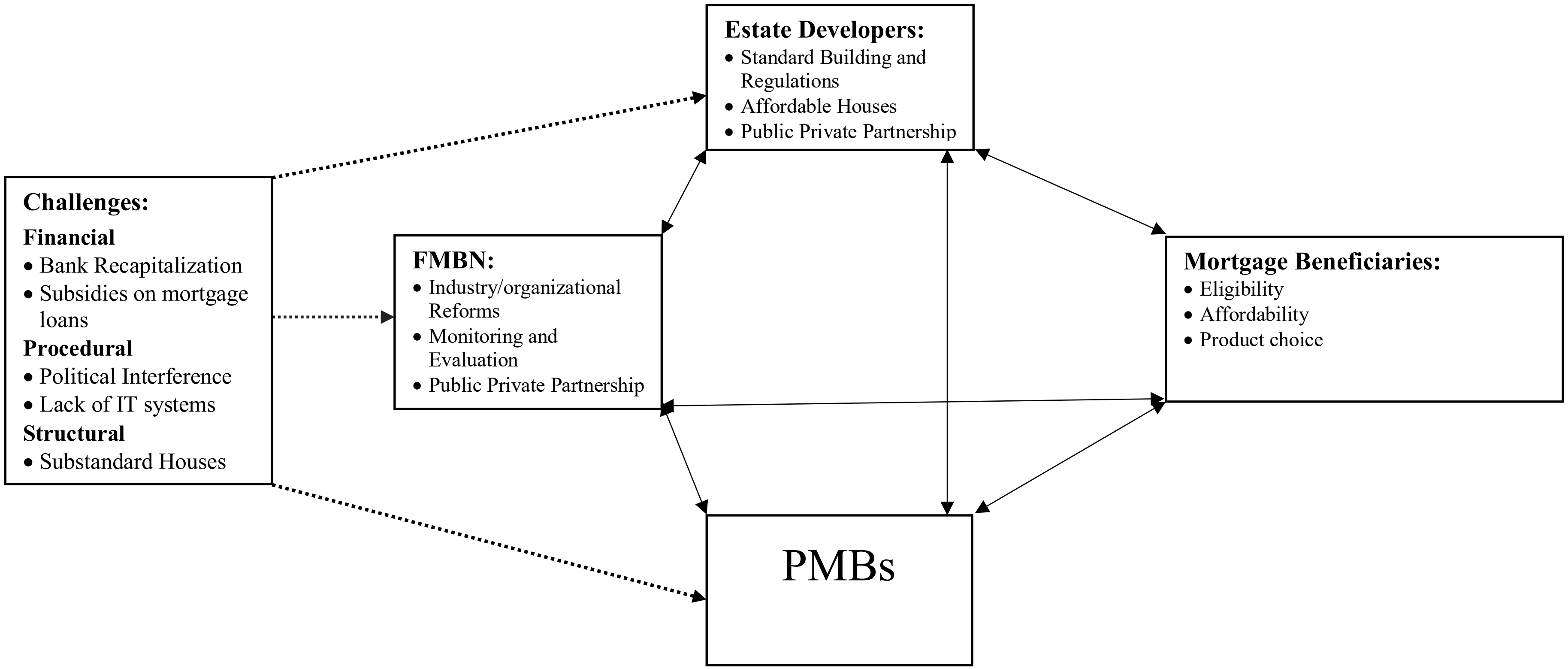
Based on the study outcome it was found that the existing institutional structure of FMBN is flawed with loopholes especially around the lack of IT integration, lack of involvement of stakeholders in the executive management, and a weak regulatory framework. This flaws further reaffirm the position made by Yu et al. (2019) around internal market operations of a firm which is capable of affecting corporate performance of an industry. Likewise, the institutional structure of an industry has influence on organisational performance and economic growth (North, 1990). The respondents in this study showed concern for a lack of performance and commitment (see table 5.1 above). In this case, it emphasizes the need to engage stakeholders and staff commitment in the decision-making and management of FMBN.

5.4 Developed conceptual framework for housing finance model in Nigeria

In the previous Documents (1 - 4) and the conceptual framework on figure 1.1, of the present study, it was found that there exist some financial, procedural, and structural challenges in the Nigerian Housing finance. However, these challenges did not show the effectiveness of the strategy FMBN adopts in creating mortgages and the cost-effective methods to improve mortgage creation. Based on the findings from the interview, it became necessary to revise the conceptual framework in line with the present realities in the mortgage industry. It also gives a new relationship amongst different components of the housing market. The researcher represented the final conceptual framework as shown below (see figure 5.1) based on the findings of this study.

The conceptual framework of the study has been revisited in figure 5.1. In the process of developing a model for housing finance in Nigeria, it is necessary for the secondary market, primary market, and private developers to consider some key challenges. These challenges affect the affordability of NHF applicants, the effectiveness of the strategies used for mortgage creation, and the cost-effective means of providing loans. The findings of this study have several implications that are highlighted within the model developed. These are further elaborated in the recommendation section of the study. The totality of these challenges and the recommendations make up the model for housing finance in the form of the revisited conceptual framework on figure 5.1 below.

Figure 5.1 Developed framework for housing finance model



Source: Authors fieldwork (2018)

5.5 Recommendations and conclusion

5.5.1 Recommendations

Based on the outcome of the study, recommendations were considered to further help improve the implications that impact on the implementation mandate of FMBN, the housing industry and policy makers which could be considered based on the findings of this study. These considerations are emphasised when developing a model for housing finance in the Nigerian context.

Firstly, in regards to practice, the study has practical implications for FMBN's operation and the housing industry at large. The major practical implication is that though the FMBN is regarded as the sole regulator of the industry and it is the effectiveness of the strategies of FMBN that will address the housing deficit in Nigeria. The implication here is that if the focus of FMBN is to reduce the housing deficit and increase the supply of houses to low and middle-income earners, then the Nigerian government has to increase the capitalisation of FMBN beyond the current N5 billion-naira fund injected into the secondary market. The bank could also source for funding from the National Pension Funds through the National Pension Commission in order to develop a vibrant housing sector in the country.

Secondly, the researcher found out that NHF applicants pay higher equity contribution in the process of accessing mortgage loans, it was recommended that there is a need for the government or the FMBN to provide special subsidies for individuals in the lower income groups. In this context, inspiration could be taken from the Rumah Mesra Rakyat 1 Malaysian (RMR1M) with a public private partnership (Samad et al., 2017). The RMR1M is a citizens-friendly program that provide valued houses at specific government subsidized rates for low-income earners with a specific salary range. This procedure could help alleviate the plight of low-income earners that pay high equity in obtaining mortgage loans for owning a house.

Furthermore, in India the Ministry of Housing and Urban Affairs through the Housing for All program grant subsidies on interests as low as 6.50% per annum for a 20-year housing loan term for the low-income earners and the economically weaker sections of the society (Tiwari and Rao, 2016). In this case, this could be considered within the financial context of the Nigerian housing industry.

Thirdly, it was recommended that government needs to reform housing Act and restructure the housing industry. Reforms that may highlight stringent guidelines on the processes of accessing loans, integrating technology within the system to set up checks and controls in deciding the appropriate product for the applicant ranging from FMBN Home Renovation Loan, rent-to-own a house, or cooperative loan etc. depending on their eligibility. The finding also revealed that political interferences play huge roles in the activities of FMBN, which has implications, this is associated with the finding that the bundled model is the most preferred model of housing with needed improvements, as political vices may also influence the success of the bundled system practiced in Nigeria. This is also similar that political influences-controlled credit allocation by mortgage institutions in a US district (Chavas and Rose, 2018). Therefore, this issue needs to be integrated within the reforms needed for FMBN and the industry at large.

Finally, the finding revealed that the majority of houses provided by property developers targeted at low and middle-income earners are mostly substandard in nature. This was evidenced in other published works that considered housing delivery in the country (Wapera et al., 2011; Daniel et al., 2014; Omolabi and Adebayo, 2017 and Saidu and Yeom, 2020). This implies that there is a need for FMBN to provide strict rules and regulations in their contract with property developers. In addition, there is a need to set up or enhance their monitoring and evaluation units to oversee the development of the houses from the pre-planning stage to post home ownership stage. In this regard, FMBN could take inspirations from the Indian "Housing for All program" that targets the Low-Income Groups (LIGs) and Economically Weaker Sections (EWS) of the society. The program collaborates with the private sector by adopting environmentally conscious methods on individual-based house constructions and provide subsidies on loans for the low-income groups (LIGs) and economically weaker sections (EWS) of the society (Tiwari and Rao, 2016; BankBazaar, 2019).

5.5.2 Conclusion

This study aimed to develop a model for housing finance in Nigeria by examining the challenges encountered in the Nigerian mortgage industry by determining individuals' affordability on NHF loans, determining the effectiveness of the strategies used by FMBN, exploring the cost effectiveness of house provision, and developing the most effective model for Housing finance in Nigeria. To address this aim, a conceptual framework was developed drawing from the results of previous DBA documents 1 to 4 and the results of this document (5) the housing finance models used in Nigeria. A qualitative study using semi-structured interviews and archival records of FMBN were carried out to apply the framework and examine the challenges of housing finance.

Firstly, the results of the interview suggest that there are some key challenges encountered by FMBN that needs to be considered when developing a model for housing finance in Nigeria. These challenges were found to be in the aspect of finance, the processes of obtaining mortgage loans and the standard of the finished houses.

Secondly, in exploring the cost-effective means of providing affordable houses by FMBN, the study demonstrated the high concern over the low level of capitalisation injected into the bank (FMBN) that translates into expensive houses to low-income earners.

Thirdly, the level of affordability of low-income earners in owning NHF house is quite low as they pay higher equity contribution from their deposit, which might not be covered in their average income. Added to this, the houses provided by private developers for NHF applicants are of substandard nature, thereby house owners end up renovating the property with their personal funds. Therefore, the cost of the houses at the long run becomes high and unaffordable for the low-income groups.

Fourthly, in order to measure the effectiveness of the strategies and documentation processes used by FMBN for mortgage creation, their positive impacts are obstructed by political interferences in the activities of the primary and secondary market at large. The strategies could be the Home renovation loans, Estate development Loans and cooperative housing loan. Examples, documentation process, applicant's records of NHF contribution, salary pay slips, anticipated property documents from PMBs among others.

Fifthly, in considering developing an effective model of housing finance for the Nigerian context, the results of the study showed that the existing bundled model adopted in Nigeria is still the most preferred model among others but with an emphasis on improvement and inspiration from successful models outside of Nigeria such as Malaysia and India. Malaysia and India may have certain comparable and some socio-economic settings with Nigeria.

Sixthly, the researcher considered the results of this study from the perspective of key stakeholders in the housing industry in Nigeria. For a successful housing model to be effective, evidence of the reduction in housing deficit prevailing in Nigeria needs to be provided. Currently, the supply of houses by FMBN do not match the demand for houses by NHF applicants.

Finally, the undersupply of affordable and quality mortgage-based houses need to be addressed to alleviate the constant safe haven provided for private property developers while neglecting the needs of the low-income earners. This study argues that it is significant to address the prevailing challenges based on the financial, procedural, and structural requirements needed in the provision of houses to low and middle-income earners. What is new in this study is that politics is being played in the housing industry on various levels while providing houses to mortgage beneficiaries. It could be plausible to conduct surveys of the supply and the demand for houses among house owners in each state in Nigeria in order to account for differences across regions; this may not be possible within the boundaries of this study.

5.5.3 Limitations

The researcher has considered that several questions, procedures and outcomes from this research are yet to be addressed require other perspectives in housing finance research. This study would not be able to address all these issues; however, this section presents certain limitations and their discussion from the view of the researcher.

5.5.3.1 Using only Qualitative Sample

This study examined the challenges encountered in housing finance using qualitative studies. Qualitative studies could be regarded as highly subjective unlike quantitative studies. However, it is agreed that quantitative studies can reveal cause and effect relationship; qualitative research can provide more insight and probe information. It also allows the researcher to view the world based on his perception and the relationship they share together with the participants (Bell et al., 2018).

Due to the requirement that the researcher needs to be closer to the reality, this research is confident with the findings of this study as the researcher associates with the participants and their activities. The researcher is a long-time member of staff of the FMBN with a professional expertise and network with various Primary Mortgage Banks, estate developers and the Central Bank of Nigeria. In future, quantitative studies could be conducted to a larger number of key stakeholders on the assessment of strategies of mortgage loans in Nigeria to have a wholistic view on housing finance in Nigeria

5.5.3.2 Difficulty in the replication of the studies

This study might be difficult to replicate because it follows an unstructured process unlike the structured process used in quantitative research. For qualitative studies, the researcher is the key instrument of data collection. This is so because all the information inquired is dependent upon what the researcher prefers to write subjectively (Creswell and Clark, 2017). Studies that could be replicated enhance the reliability of the results of the data. Here, there is a contextual understanding of the context of Nigeria in terms of the primary challenge the industry faces in this case, FMBN.

5.5.3.3 Issues of transparency

Qualitative results are sometimes unclear about its evidence of transparency in terms of what was actually done and how the conclusions were arrived at which are - for example, what guided the researcher in the choice and selection of participants for the interviews conducted. Meanwhile, these steps are accounted for in quantitative research through explicit explanations of sampling procedures (Bryman and Bell, 2011). To a greater extent, this study has addressed the issue of lack of transparency through the presentation of an original research, the analyses plan, the bases of the choice of participants, that is, the key stakeholders in the Nigerian Housing industry. Internal validity of the research was also ensured to develop a conclusion validity.

5.6 Future research

The researcher identified that the conclusions reached from the study and the limitations above lead to a variety of avenues for future research. This is because some findings discussed earlier in this section need to be confirmed while some have developed significant results to bolster the area of interest in housing finance research.

This research was conducted using qualitative method. It may be interesting for further studies to triangulate the results of this finding using quantitative methods on a larger sample of stakeholders of the housing industry in order to validate, contradict or generalize the findings of this study.

The study found out that political interference is a huge problem in the activities of FMBN and the mortgage industry. However, the degree of this interference is not known. Factors such as politicking, bribery and corruption are important determinants of a country's growth and economic development (Ahmad et al., 2012). It may be worthwhile for future studies to examine the extent to which political interests influence low income earners' access NHF mortgage loans in Nigeria.

This research revealed that the FMBN's capitalisation rate is quite low. It is known that few key stakeholders are responsible for the improvement of the capitalisation rate such as the Federal Government, Central Bank of Nigeria etc. (Ukpai et al., 2013; FMBN Strategy and Performance Management report, 2019). However, the reasons of the low level of capitalisation by the apex bank is beyond the scope of this study. It may be important to study the Central Bank of Nigeria's efforts and challenges on capitalizing the FMBN for the efficiency of housing provision in the country.

This study used the Federal Mortgage Bank of Nigeria as a case study. The FMBN is the sole regulator of the housing industry in Nigeria. It is not revealed whether similar developing countries encounter such challenges. It may be interesting to compare the challenges of FMBN with similar developing countries' housing regulators' challenges in order to provide a better understanding and add to the existing knowledge of the prevailing issues of housing finance across regions.

The finding that the houses provided for NHF beneficiaries are substandard houses. The primary mortgage markets oversee the private developers' activities in the provision of affordable houses. Gudienė et al (2003) suggested that a country's institutional factors are one of the critical success factors of a construction project. It may be interesting to study the influence of key institutional settings such as the primary mortgage market on the success of housing construction for low-income earners in Nigeria.

5.7 Contributions

The results of this study bring important contribution to the literature on examining the challenges encountered in the Nigerian housing industry in several ways. The outcome of the study has made contribution in a number of ways that include; a) Academic Contributions b) Practical Contributions c) Policy Contributions d) Methodological Contributions.

5.7.1 Academic contributions

Academic contribution made by the study is centered on the premise that it has contributed to the field of housing finance in developing countries by providing more evidence of the financial challenges encountered from varying perspectives in the housing industry of a developing country, Nigeria. The study has demonstrated that the NHF beneficiaries pay higher equity contributions in obtaining mortgage loans while houses delivered are considered unaffordable to many and the FMBN suffers from the low level of capitalisation of fund from its stakeholders. The study provides further insights into the performance of the FMBN, an area that has been accorded little attention. Majority of the previous researches on housing finance in Nigeria are conceptual papers (Olotuah, 2000; Okoroafor, 2007; Adeboye et al., 2013; Adedeji and Olotuah, 2012). Only a few studies focus on regional problems (Wapwera, 2014; Adegoroye, 2015; Omolabi and Adebayo, 2017), but with little evidence from metropolitan areas of a geopolitical zone. However, the present study conducted an empirical research of the Nigerian housing problems from academic and national stakeholders' perspectives in the country, especially in terms of the need for loan subsidies and recapitalisation of the bank. In addition, the results of the previous documents also shed more light on these problems from the perspective of the NHF applicants in various organisation. These findings filled these gaps by providing more evidence of the performance of the FMBN in carrying out its key mandate of housing provision to low and middle - income earners.

Furthermore, the study contributed to the existing literature with regards to the standard of buildings or houses provided to NHF beneficiaries in Nigeria by showing that the houses and infrastructures are substandard in nature. Much of the research on the construction of mass housing provision in Nigeria focus on the conceptual ideas of the low standard NHF houses and infrastructures with no empirical research to confirm or disconfirm this claim

(Ajayi and Omole, 2012; Adenuga, 2013; Rust, 2013). This study supports these claims by reveling that although the private developers construct houses for NHF beneficiaries, it is the low level of the standard of the houses and infrastructures that are of high concern by these beneficiaries. In this stream, it provides more support to the claim of Heravitorbati et al., (2011) that quality problems in housing development could be due to either managerial, technical, environmental, or cultural problems. This study gives more clarity and more evidence in the field of housing finance that the low-quality finished houses and infrastructures translate into unaffordable houses by low and middle-income earners in Nigeria and society.

5.7.2 Policy contributions

The inability of earlier policies and programmes to adequately resolve the backlog of housing problems in the country reveals the need for more pragmatic solutions and its success depend largely on the provision of necessary political will through the creation of an enabling environment for people to own or have access to decent accommodation. The findings are consistent with FSS 2020 strategy for mortgage sectors where it was evidenced there exist weakness in the sector in the areas of:

- Leadership instability among Government agencies within the Mortgage Industry.
- Poor capital base of Mortgage Banks.
- Weak Corporate Governance.
- Poor Risk Management Practices.
- Lack of reliable data within the Industry.
- Low level of IT deployment

Based on the aforementioned the sector was found to be faced with certain degree of threats that require immediate intervention. These include;

- Non-passage of proposed mortgage finance related bills by the National Assembly.
- Lack of land reform policies/legislation by some State Governments.
- Political interference and policy inconsistencies.
- Lack of synergy among financial regulators.
- Inadequate long-term funds for mortgage.

- Labour agitations against contributions to NHF by civil servants and non-participation by private sector.
- Lack of harmonized electronic land registry system across the states.
- Poor infrastructure.
- Poor business environment.
- Lack of affordable mortgage ready houses.

The study has advance contributions to policy development by highlighting on key procedural challenges encountered in creating mortgages, which needed addressing. Because of the paucity of current knowledge in the subject, the present information contained herein is seen to help provide up to date knowledge around the challenges and approaches as it relate to the delivery of affordable homes in Nigeria. To which lessons contained can be used to strengthen knowledge development in the subject of housing finance and housing delivery especially in developing countries like Nigeria. This study adds to the body of knowledge regarding the procedural challenges encountered by stakeholders by revealing that one of the key concerns are the political interference of individuals in the process of creating mortgages. Similar findings were revealed in previous studies, though it was conducted in a strong economy and developed country such as the USA (Chavas and Rose, 2018). However, this study was conducted in a developing country with less strong economy compared to the USA. This study filled this gap by providing more evidence of procedural challenges in the housing sector, specifically, corruption activities ongoing in Nigerian institutions. The obstructions of politicians in implementing the bank's policies might result to a negative impact of selected strategies developed with the aim of creating more sustainable houses which is not well managed it can impact on the optimum implementation of housing policies in Nigeria.

5.7.3 Practical contributions

From a practical point of view, the study provides strong contribution related to the modified guidelines in a model of housing finance to be considered in aiding the reduction of housing deficit in the context of Nigeria. While the existing housing mortgage model applied in Nigeria replicate some of housing models used in other developed countries considered in the study, there is associated implication to these models which impact on their rate of success compared others. The existing model was re-designed to meet the housing needs as prevalent in the Nigerian environment. These modifications are based on the emphasis needed to improve the bundled housing system practiced in Nigeria when establishing or improving existing housing programs. The modifications also emphasise the financial, structural and procedural challenges in the FMBN that when considered might reinforce the effectiveness of the strategies adopted for house provision. It also emphasises taking inspirations of public private partnerships of similar successful developing countries as well as embarking on reforms for FMBN, PMBs and the estate developers. FMBN and other players in the industry to achieve an improved housing provision for NHF beneficiaries and other low-income earners in Nigeria can follow the framework as a practical suggestion. Based on the aforementioned, there is imminent need for the government to consider public housing as a form of social responsibilities while taking into consideration its financial arrangement with the lenders and review sets back identified especially as it relate with the required minimum deductible amount which is viewed as beyond the reach of a low income earner in Nation.

5.7.4 Methodological contributions

The study made effort at applying a qualitative method through a combination of semi-structured interviews and archival records to undertake this research in a developing country setting has helped unearth more information all in one place. Majority of the research undertaken in Nigeria housing market and finance applied quantitative research approach to develop results of issues that relates to the housing sector in the country (Adenuga, 2013; Adeoye, 2016). These forms of measurements do not provide subjective assessments of stakeholder and other end users, which is considered as important in the delivery of fit for purpose affordable homes. Using qualitative studies allows the researcher to obtain rich information of the data. Added to that, the use of two methods of analysis provide more validation of the results.

While there is limited empirical work done around the subject using the data collected and methods adopted, the study design can be used as a template to examine similar issues in other developing economies and enhance future research in the subject.

REFERENCES

Aalbers, M.B., 2016. The financialization of home and the mortgage market crisis. In the Financialization of Housing (pp. 40-63). Routledge.

Al-Abed, A. (2012). Housing Supply and Affordability: Who can afford the private housing schemes in Aden?" Mansoura Engineering Journal (MEJ), 37 (1), 27-35.

Abdul-Aziz, A. R., and Kassim, P. J. (2011). Objectives, success and failure factors of housing public– private partnerships in Malaysia. Habitat International, 35(1), 150-157.

Abiodun, A. (1991). Housing finance under National Housing Fund: An appraisal. Paper presented at the general meeting of the Nigerian Institute of Town Planning. Available at www.housingfinance.org/pdfstorage/Africa. (Accessed 20th October, 2018).

Acha, I.A. and Acha, C.K. (2011). Interest Rates in Nigeria: An Analytical Perspective, Research Journal of Finance and Accounting, 2(3), pp.71-81.

Adeboye, A., Rod, G., Felix, H. and Olomolaiye, P., 2013. An overview of residential real estate financing in Nigeria. *Journal of Real Estate Literature*, *20* (2), pp.263-288.

Adedeji, Y. M. D., and Abiodun O. Olotuah. (2012). "An evaluation of accessibility of low-income earners to housing finance in Nigeria." *European Scientific Journal* 8.12.

Adedibu, A., 2015. Decentralised Collective Bargaining and Salary Differentials in the Civil Services in Nigeria.

Adedokun, O.A., Akinradewo, F.O., Adegoke, J.O. and Abiola-falemu, J.O., 2012. Evaluation of the contribution of National Housing Fund scheme towards housing delivery in Nigeria. Journal of Building Performance, 3(1).

Adegoroye, A. 2015 Decentralised Collective Bargaining and Salary Differentials in the Civil Services in Nigeria. *Journal of Resources Development and Management, Vol.4, 2015*

Adeoye, D.O., 2016. Challenges of Urban Housing Quality: Insights and Experiences of Akure, Nigeria. *Procedia-Social and Behavioral Sciences*, *216*, pp.260-268.

Adegun, O.B. and Taiwo, A.A., 2011. Contribution and challenges of the private sector's participation in housing in Nigeria: Case study of Akure, Ondo state. *Journal of Housing and the Built Environment*, *26*(4), pp.457-467.

Adeniji, O. A., 2009. "The Mortgage" News Journal of Federal Mortgage Bank of Nigeria. Vol 1, No 3. Pp 17-18.

Adeniyi, E., 1978. The challenges of urban housing in Nigeria, Association of housing Corporation of Nigeria.

Adenuga, O.A., 2013. Factors Affecting Quality in the Delivery of Public Housing Projects in Lagos State, Nigeria. *International Journal of Engineering and Technology*, *3*(3), pp.332-344.

Ahiadorme, J.W., 2016. Assessing the Interaction between the Macro Economy and the Mortgage Market: Evidence from Ghana. *International Journal of Contemporary Applied Sciences*, *3*(10), pp.40-53.

Ahmad, E., Ullah, M.A. and Arfeen, M.I., 2012. Does corruption affect economic growth? Latin american journal of economics, 49(2), pp.277-305.

Ajayi, M.A. and Omole, F.K., 2012. Sustainable housing development and communal provision of infrastructures in Asuwamo residential estate Akure, Nigeria. In *West Africa Built Environment Research (WABER) Conference 24-26 July 2012 Abuja, Nigeria* (Vol. 1, p. 191).

Akeju, A.A., 2007, October. Challenges to providing affordable housing in Nigeria. In *Proceedings of 2nd Emerging Urban Africa International Conference on Housing Finance in Nigeria* (pp. 17-19).

Akinwunmi, A., 2009. An Investigation into factors affecting mortgage credit supply in emerging economies: A case study of Nigeria. PhD thesis, University of Wolverhampton.

Akinwumi, O.S., 2010. Legal impediments on the practical implementation of the Child Right Act 2003. International Journal of Legal Information, 37(3), p.10.

Alabi, A.M., Lasisi, M.O. and Azeez, M.A., 2018. The evolution of informal land use in a Nigerian market. Environment and Planning B: Urban Analytics and City Science.

Alabi, M., 2018. Political Economy of Urban Housing Poverty and Slum Development in Nigeria. Eastern Africa Social Science Research Review, 34(2), pp.59-79.

Alagba, O.S., 2017. Impact of Housing Finance Market on Growth of Selected African Economies (Doctoral dissertation).

Alaghbari, W.A.M., 2010. Factors affecting construction costs in affordable housing for low-income group in Sana'a, Yemen. *doctoral of philosophy thesis, School of Graduate Studies, University Putra Malaysia, UPM Serdang, Selangor*.

Amao, F.L. and Odunjo, O.O., 2014. Housing Finance in Nigeria. *Journal of Economics and Sustainable Development*, *5*(27), pp.101-104.

Anderson, G., Bahaj, S., Chavaz, M., Foulis, A. and Pinter, G., 2018. Lending relationships and the collateral channel.

Anidiobu, G.A., Okolie, P.I. and Ugwuanyi, W.N., 2018. Effect of mortgage finance on housing delivery in nigeria: the primary mortgage institution (PMI) perspective. *Journal on Banking Financial Services & Insurance Research*, *8*(2).

Anyanwu, J.C., 1991. Housing finance in Nigeria: the role of domestic financial institutions. *African Review of Money Finance and Banking*, pp.129-145.

Aribigbola, A., 2008. Housing policy formulation in developing countries: Evidences of programme implementation from Akure, Ondo State Nigeria. *Journal of Human Ecology*, *23*(2), pp.125-134.

Arucy, K., 2019. Affordable Housing Policy in Kenya: The Big Four Transformation Agenda 2017–2022. Management and Economic Journal, pp.593-596.

Austin, P. M., 2009. The Affordable Housing: Enabling Territorial Authorities Act 2008- When Policy Transfer Fails. *Housing Finance International*, *24*(1), p.14.

Barceló, C., 2006. Housing tenure and labour mobility: A comparison across European countries. *Banco de Espana Research Paper No. WP-0603*.

Bah E.M., Faye I., Geh Z.F. 2018. Housing Finance in Africa. In: Housing Market Dynamics in Africa. Palgrave Macmillan, London

Bell, E., Bryman, A. and Harley, B., 2018. Business research methods. Oxford university press.

Bichi, K. M., 2002. 'Housing the Nigerian Population: Problems and Prospects'. Journal of the Federal Mortgage Bank of Nigeria, 1 (5) 30-31.

Bird, C.M., 2005. How I stopped dreading and learned to love transcription. *Qualitative inquiry*, *11*(2), pp.226-248.

Blanchflower, D. G. and Oswald, A. J., 2013. Does high home-ownership impair the labor market? (No. w19079). National Bureau of Economic Research.

Boleat M., 2008. Nigerian Financial System Strategy (FSS) 2020.

Boleat M. and Simon W. 2008. Nigerian Financial System Strategy (FSS) 2020.

Bracke, Philippe, Christian A.L. Hilber, and Olmo Silva. 2015. Homeownership and Entrepreneurship: The Role of Commitment and Mortgage Debt. Bank of England Working Paper 561. London, United Kingdom: Bank of England.

Braun, V. and Clarke, V. (2006). Using thematic analysis in psychology. Qualitative Research in Psychology, 3, 77-101.

Browning, L., Thompson, K. and Dawson, D., 2011. "Developing the Next Generation of Research Leaders: Understanding the Path to Shaping the Future." Acta Academica Supplementum 2: 127–148.

Bryman, A. and Bell, E., 2011. Ethics in business research. Business Research Methods, 7(5), pp.23-56.

Cai, W. and Lu, X., 2015. Housing affordability: Beyond the income and price terms, using China as a case study. Habitat international, 47, pp.169-175.

Camilleri, D., 2011. A long-term analysis of housing affordability in Malta. International Journal of Housing Markets and Analysis, 4(1), pp.31-57.

CBN, 2013. Mortgage financing in Nigeria. ISSN:2384-5082. Available at: https://www.cbn.gov.ng/out/2014/rsd/occasional%20paper%20no.%2050mortagage%20financing%20in%20nigeria%20combined.pdf(Accessed 09/03/2020).

CBN (2008), Annual Report 2018.

Chaney, T., Sraer, D. and Thesmar, D., 2012. The collateral channel: How real estate shocks affect corporate investment. *American Economic Review*, *102*(6), pp.2381-2409.

Chang, B., Choi, H.S., Hong, H.G. and Kubik, J.D., 2017. Hedging and pricing rent risk with search frictions.

Chavaz, M. and Rose, A.K., 2018. Political borders and bank lending in post-crisis America. Review of Finance, 23(5), pp.935-959.

Chionuma, O. M., 2000. The role of Primary Mortgage Institutions in the Provision of Housing in Nigeria‟ A paper presented at a National Workshop on Finance and Procurement of Housing and Infrastructure organised by the Institute of Quantity Surveyors on 12th April 2000.

Chiquier, L. and Lea, M. eds., 2009. Housing finance policy in emerging markets. The World Bank.

Chiquier, L., Hassler, O. and Lea, M., 2004. Mortgage securities in emerging markets. *World Bank Policy Research Working Paper*, (3370).

Clark, G.L., 2017. Financial intermediation, infrastructure investment and regional growth. *Area Development and Policy*, *2*(3), pp.217-236.

Collis, J. and Hussey, R., 2013. Business research: A practical guide for undergraduate and postgraduate students. Macmillan International Higher Education.

Collis, J. and Hussey, R., 2009. A Practical Guide for Undergraduate and Postgraduate Students.

Creswell, J.W. and Clark, V.L.P., 2017. Designing and conducting mixed methods research. Sage publications.

Creswell, J.W., 2003. A framework for design. Research design: Qualitative, quantitative, and mixed methods approaches, pp.9-11.

Creswell, J.W., Hanson, W.E., Clark Plano, V.L. and Morales, A., 2007. Qualitative research designs: Selection and implementation. The counselling psychologist, 35(2), pp.236-264.

Creswell, J.W., Klassen, A.C., Plano Clark, V.L. and Smith, K.C., 2011. Best practices for mixed methods research in the health sciences. Bethesda (Maryland): National Institutes of Health, 2013, pp.541-545.

Crush, J., 1992. The compound in post-apartheid South Africa. *Geographical Review*, pp.388-400.

Daud, N.M., Nor, N.M., Ali, U.N., Yusof, M.A. and Munikanan, V., 2017. Affordable Housing System: A Review on Issue of Housing Affordability. The Social Sciences, 12(7), pp.1281-1287.

Daniel, M.M., Wapwera, S.D., Sanda, N.Y. and Olutunde. E.N. 2014. Interest Groups and Housing Provision in Nigeria: A Review Study. Journal of World Economic Research. Vol. 3, No. 4, 47-54.

Denscombe, M., 2007. The good research guide for small-scale social projects. Maidenhead, England: McGraw Hill.

Dillman, D.A., 2011. Mail and Internet surveys: The tailored design method--2007 Update with new Internet, visual, and mixed-mode guide. John Wiley and Sons.

Dung-Gwom, J.Y. and Mallo, D.M., 2010. Evaluating housing financing performance of the federal mortgage bank of nigeria in post housing sector reform era. XXXVII IAHS World Congress on Housing October 26 – 28, 2010, Santander, Spain.

Economic Commission for Europe, 2005. Housing finance systems for countries in transition: principles and examples (Vol. 138). United Nations Publications.

EPU., 2015. Providing Adequate and Quality Affordable House- Strategy Paper 6 11th Malaysian Plan.

Eriksson, P. and Kovalainen, A., 2008. Qualitative research in business studies.

Fasakin, J.O., 1998. Cooperative housing; the concept, experience and applicability to Nigeria's socio-economic milieu'. In *Seminar paper presented at the Federal University of Technology, Akure*.

Federal Government white paper on the Governor Peter Odili's report on Urban Development and Housing (2007).

Fishman, R., 2018. The Global Crisis of Affordable Housing: Architecture Versus Neoliberalism. Architectural Design, 88(4), pp.22-29.

FMBN Home Renovation Loan (FHRL) 2014, Being a paper presented to the Bard Credit Committee FMBN/B.D/186/1014/LD/412 (unpublished).

FMBN Strategy and Performance Management report (2019) unpublished.

FMBN Rent-to-Own Housing Scheme (RTO) 2018, Product paper presented to the Executive Management Committee (unpublished).

FMBN Special Product Group (SPG) 2015, Solutions to equity contribution on mortgage Collateral Repayment Indemnity (CRI). A paper presented to the executive management committee (unpublished).

Fortune-Ebie, S. P. O., 2004. 'National Housing Fund and the Housing Policy of the Federal Government as it affects the SWOT (Strength, Weaknesses, Opportunity and Threat) of the Nigerian Workers'. (A paper presented at a two-day Kaduna State Economic Summit organised by Kaduna Forum at Arewa House).

Gan, J., 2007. Collateral, debt capacity, and corporate investment: Evidence from a natural experiment. *Journal of Financial Economics*, *85*(3), pp.709-734.

García-Moreno, M.B., García Moreno, S.M., Nájera-Sanchez, J.J. and de Pablos Heredero, C., 2018. The impact of organizational factors on-business adoption: An empirical analysis. Journal of Industrial Engineering and Management (JIEM), 11(3), pp.466-496.

Gbadeyan, R.A., 2011. Private Sector's Contributions to the Development of the Nigerian Housing Market. Current Research Journal of Social Sciences, 3(2), pp.104-113.

Gill, J. and Johnson, P., 2013. Research Method for Managers. 4th Edition, Sage publication Ltd.

Gilson, L. and World Health Organisation, 2012. Health policy and systems research: a methodology reader. Geneva: World Health Organisation.

Gimba Y. K., 2011. 'Challenges of Housing Finance and Provision' a paper at the 1st National Building and Construction Economic Roundtable (BCERT) held at Shehu Musa Yar'Adua Centre, Abuja (14th – 15th June, 2011).

Gimba Y. K. (2012) Brief on the Activities of the Federal Mortgage Bank of Nigeria (FMBN) to Alhaji I. Mahe the Permanent Secretary, Federal Ministry of Lands, Housing and Urban Development.

Gopalan, K. and Venkataraman, M., 2015. Affordable housing: Policy and practice in India. IIMB Management Review, 27(2), pp.129-140.

Grix, J., 2001. Social capital as a concept in the social sciences: The current state of the debate. Democratization, 8(3), pp.189-210.

Gudienė, N., Banaitis, A., Banaitienė, N. and Lopes, J., 2013. Development of a conceptual critical success factors model for construction projects: a case of Lithuania. *Procedia Engineering*, *57*, pp.392-397.

Gulati, PM, 2009, Research Management: Fundamental and Applied Research, Global India Publications

Hassanein and Barkouky, (2008), The Egyptian mortgage practice, International Journal of Managing Projects in Business, 1(2), Emerald group publishing limited.

Head, A. and Lloyd-Ellis, H., 2012. Housing liquidity, mobility, and the labour market. *Review of Economic Studies*, *79*(4), pp.1559-1589.

Heravitorbati, A., Coffey, V., Trigunarsyah, B. and Saghatforoush, E., 2011, May. Evaluating the influences of stakeholder management on construction project quality. In *Proceedings of 1st International Construction Business and Management Symposium*.

Hilber, C.A. and Schöni, O., 2016. Housing policies in the United Kingdom, Switzerland, and the United States: lessons learned. Cityscape, 18(3), pp.291-332.

Hingorani, P. 2011. Revisiting Upgrading: Low-Income Housing and Infrastructure. Mysore: Indian Institute for Human Settlements (IIHS).

Ibem, E.O., 2011. Public-private partnership (PPP) in housing provision in Lagos Megacity Region, Nigeria. *International Journal of Housing Policy*, *11*(2), pp.133-154.

Jankowicz, D., 2000. From Learning Organisation to Adaptive Organisation
'. Management Learning, 31(4), pp.471-490.

Jolaoso, B.A., Musa, N.A. and Oriola, O.A., 2012. National housing trust fund and low-income housing delivery in Nigeria: a discourse. Journal of Emerging Trends in Economics and Management Sciences, 3(5), pp.429-438.

Jiboye, A. D., 2011. Urbanisation challenges and housing delivery in Nigeria- The need for an effective Policy framework for Sustainable Development. International Review of Social Sciences and Humanities, 2(1), pp.176-185.

Jiboye, A., 1997. A Critique of Official Housing Policy in Nigeria, Bayo Amole (Ed.), The House in Nigeria, Proceedings of the National Symposium, 284-288, Obafemi Awolowo University (O.A.U.) Ile – Ife.

Klenke, K., 2016. Qualitative research in the study of leadership. Emerald Group Publishing Limited.

Lavrakas, P.J., 2008. *Encyclopedia of survey research methods*. Sage Publications.

Lincoln, Y.S. and Guba, E.G., 1985. Establishing trustworthiness. Naturalistic inquiry, 289, p.331.

Lincoln, Y.S. and Guba, E.G., 2000. The only generalisation is: There is no generalisation. Case study method, pp.27-44.

Lipscomb, M., 2012. Abductive reasoning and qualitative research. *Nursing Philosophy*, *13*(4), pp.244-256.

Locke, L. F., Spirduson, W. W. and Silverman, S. J., 2000. Proposals that Work: A Guide for Planning Dissertations and Grant Proposals. 4th Ed. Thousand Oaks, CA: SAGE Publications: London.

Lodico, M.G., Spaulding, D.T &Voegtle, K.H. (2010) "Methods in Educational Research: From Theory to Practice" John Wiley & Sons

Mabogunje, A., 2004. Implementing a policy of available and affordable housing in Nigeria. In a paper presented at national workshop on new National Housing Reforms with the theme "Towards Effective Strategies for the Implementation of the New Housing Reforms at National Centre for Women Development, Abuja on 2nd–3rd March.

Maguire, M. and Delahunt, B., 2017. Doing a Thematic Analysis: A Practical, Step-by-Step Guide for Learning and Teaching Scholars. The All Ireland Journal of Teaching and Learning in Higher Education, 1(3), p.3351.

Mandate, structure and organisational performance (2009). A brief on the Federal Mortgage Bank of Nigeria (FMBN).

Marshall, C. and Rossman, G., 2006. The how of the study: Building the research design. Designing qualitative research, pp.55-101.

Marshall, D. and Worthing, D., 2008. The construction of houses. Estates Gazette.

Mitchell, J., 2005. Financial intermediation theory and implications for the sources of value in structured finance markets. *National Bank of Belgium Working Paper*, (71).

Mogaka, A.J., Kiweu, J.M. and Kamau, R.G., 2015. The Influence of Capital Market Deepening on Mortgage Market Growth in Kenya.

National Housing Fund Act, Cap N.45 of 1992.

National Information Technology Development Agency, 2013. Nigeria, NITDA.

Nkechi, O.T., Samuel, A.O. and Ifurueze, M.S., 2018. Housing finance market and economic growth of west africa region: a study of Nigeria, Ghana and Gambia. The Business and Management Review, 9(3), pp.188-198.

Nubi, T.G., 2015. Beyond Bricks and Mortar: Demystifying the Affordable Housing Debacle in a Transiting Economy. University of Lagos.

Nwamara, C.C. and Aronu, C.O., 2014. The impact of economic development on land mortgage financing in Nigeria. *Open Science Journal of Mathematics and Application*, *2*(3), pp.26-32.

Nwaka, G. I. (2005). "The urban informal sector in Nigeria: Towards economic development, environmental health and social harmony". Global Urban Development Magazine. 1 (1), 1-11.

Nwuba, C.C. and Chukwuma-Nwuba, E.O., 2018. Barriers to accessing mortgages in Nigeria's housing markets. International Journal of Housing Markets and Analysis, 11(4), pp.716-733.

Okoroafor, P., 2007, October. Critical issues in the development of viable housing finance industry in Nigeria. In *2nd Emerging Urban Africa International Conference and Exhibition on Housing Finance in Nigeria*.

Okafor, E. 2019. Why Nigerian has one of world's lowest mortgage to GDP rate. Business Day. Available at: https://businessday.ng/real-estate/article/why-nigeria-has-one-of-worlds-lowest-mortgage-to-gdp-rate/(Accessed 17/04/2020).

Okupe, L. and Windapo, C. "The Role of Private Sectors in Housing Delivery in Nigeria" (A seminar paper on Effective Approach to Housing Delivery in Nigeria, Organised by Nigerian Institute of Building, Ibadan, 2000).

Okwu, A.T., Ngoepe-Ntsoane, M., Tochukwu, O.R. and Obiwuru, T.C., 2017. Housing and Economic Growth Nexus in Nigeria: Data-Based Evidence. Transylvanian Review of Administrative Sciences, 13(51), pp.70-88.

Olotuah, O. A. (2000). The challenge of housing in Nigeria. Effective Housing in the 21st Century Nigeria. Akinbamijo et al. (eds.), Akure: Environment forum (pp. 16–21). Federal University of Technology, Akure.

Omolabi, A.O. and Adebayo, P.W., 2017. An assessment of the housing policy performance towards public low-income housing provision and management in Lagos, Nigeria. *International Journal of Development and Sustainability*, *6*(8), pp.792-809.

Omole, F.K., 2001. *Basic issues in housing development*. FemoBless Publications.

Oni-Jimoh, T., Liyanage, C., Oyebanji, A. and Gerges, M., 2018. Urbanisation and Meeting the Need for Affordable Housing in Nigeria. Housing, Amjad Almusaed and Asaad Almssad, IntechOpen, pp.73-91.

Owusu-Ansah, A., Soyeh, K.W. and Asabere, P.K., 2019. Developer constraints on housing supply in urban Ghana. International Journal of Housing Markets and Analysis, 12(1), pp.59-73.

Plowright, D., 2011. Using mixed methods: Frameworks for an integrated methodology. Sage publications.

Rahman, M., Uddin, M. and Lodorfos, G., 2017. Barriers to enter in foreign markets: evidence from SMEs in emerging market. International Marketing Review, 34(1), pp.68-86.

Rahman, M., Akter, M., Odunukan, K. and Haque, S.E., 2019. Examining economic and technology-related barriers of small-and medium-sized enterprises internationalisation: An emerging economy context. Business Strategy & Development.

Rampini, A.A. and Viswanathan, S., 2008. *Collateral, financial intermediation, and the distribution of debt capacity*. working paper, Duke University.

Rappoport, David E. 2016. "Do Mortgage Subsidies Help or Hurt Borrowers?" Board of Governors of the Federal Reserve System Finance and Economics Discussion Series 2016-081.

Report of the Presidential Technical Board (PTB) on FMBN Restructuring, FMBN, 2007.
Review of the informal sector Cooperative Housing Loan Scheme (2011). FMBN Special Product Group (SPG), a paper presented to the executive management committee (unpublished).

Report of Urban Development and Housing (UDH) 2002. Presidential Technical Committee (PTC) set up by the Federal Government to implement the Federal Government's White Paper on the Governor Peter Odili's Report.

Report of the Vision 2020 National Technical Working Group on Housing, July 2009, FGN.

Riazi, A.M., 2016. *The Routledge encyclopedia of research methods in applied linguistics*. Routledge.

Robson, C., 2011. Real world research (Vol. 3). Chichester: Wiley.

Rushton, E.W., 2007. Testimony before the committee on banking, housing and urban affairs. Retrieved March, 22, p.2007. (Google scholar).

Saidu, A.I. and Yeom, C., 2020. Success Criteria Evaluation for a Sustainable and Affordable Housing Model: A Case for Improving Household Welfare in Nigeria Cities. *Sustainability*, *12*(2), p.656.

Saunders, M., Lewis, P. & Thornhill, A. (2012) "Research Methods for Business Students" 6th edition, Pearson Education Limited

Samad, D., Zainon, N., Rahim, F.A.M. and Lou, E., 2017. Malaysian affordability housing policies revisited. Open House International, 42(1), pp.44-51.

Saunders, M., Lewis, P. and Thornhill, A. (2012) Research Methods for Business Students. Fifth Edition. Harlow: Pearson Education.

Scharfstein, D. and Swagel, P., 2016. Legislative approaches to housing finance reform. Principles of Housing Finance Reform, pp.7-31.

Silverman, D., 2000. Doing qualitative research: A practical handbook. Thousand Oaks, CA: Sage.

Smith, J., 1983. "Quantitative versus Qualitative Research: An attempt to clarify the issue", Educational Researcher, 12(3) 6-13.

Sommer, K. and Sullivan, P., 2018. Implications of US tax policy for house prices, rents, and homeownership. American Economic Review, 108(2), pp.241-74.

Spengler, P.M., Neville, H.A. and Hoffman, M.A., 2005. Introduction to perspectives on research in counseling psychology: Furthering the tradition of self-examination.

Sharifzai, M.S., Kitagawa, K., Habib, A.J., Halimee, M.K. and Sakaguchi, D., 2016. Investigation of sustainable and affordable housing policy principles and formulation adoptable in Kabul city, Afghanistan. *Journal of Sustainable Development*, *9*(2), p.93.

Shelter-Afrique, 2011. A report of feasibility study on the establishment of a secondary mortgage institution in nigeria, submitted to the Company for Habitat and Housing in Africa by Policygnosis International Policy & Financial Advisory USA July, 2011.

Steffen, D., 2019. The Effect of a Second Home Ban on Real Estate Prices. Evidence from Switzerland using the Synthetic Control Method. Swiss Real Estate Research Congress, Zürich March 29, 2019.

Taffin, C., 2008. Social Housing facing the EU Law. Housing Finance International, 23(2), p.26.

The Joint Committee on Taxation USA, 2018. Estimates of Federal Tax Expenditures for Fiscal years 2018-2022. Prepared for the House Committee on Ways and Means and the Senate Committee on Finance.

Tashakkori A. and Creswell J. W., 2007. Editorial: The new era of mixed methods. Journal of Mixed Methods Research 1: 3-7.

Tashakkori, A. and Teddlie, C. eds., 2010. Sage handbook of mixed methods in social and behavioral research. sage.

Terry, P. 2019. Shelter briefing: Long-term commitment to increased provision of social housing to help to reduce housing costs, homelessness and housing benefit expenditure. Available at: https://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/briefing_social_housing_provision(Accessed 09/03/2020).

Tiwari, P. and Rao, J., 2016. Housing markets and housing policies in India.

Ugochukwu, I.B. and Chioma, M.I.B., 2015. Local building materials: affordable strategy for housing the urban poor in Nigeria. Procedia engineering, 118, pp.42-49.

Ukpai K., Jibrin Y., Phebian B., Adigun M. A., Olubukola A., Elisha J. D. 2013. Mortagage Financing in Nigeria, CBN Occasional paper no. 50.

Usman, H., Garba, H.M., Abdullahi, I. and Malaysia, O., 2017. Predicting intention of using mortgage in financing homeownership in Nigeria: Application of the theory of planned behaviour. The Social Sciences, 12(3), pp.509-516.

Uwaegbulam, C. Nwannekanma, B. and Gbonegun, V., 2019.How non-implementation of local building materials' policy is worsening housing delivery. Available at: https://guardian.ng/property/how-non-implementation-of-local-building-materials-policy-is-worsening-housing-delivery/(Accessed 09/03/2020).

Van Order, R., 2018. Mortgage Securitization, Structuring and Moral Hazard: Some Evidence and Some Lessons from the Great Crash. International Real Estate Review, 21(4), pp.521-548.

Walliman, N., 2011. Your research project: Designing and planning your work. Sage Publications.

Wilson, 2014. An Introduction to Business Research. Sage edge.

Wapwera, S.D., Parsa, A. and Egbu, C., 2011. Financing low income housing in Nigeria. Journal of Financial Management of Property and Construction, 16 (3), pp.283-301.

Wapwera, S.D., 2014. Spatial planning framework for urban development and management in jos metropolis Nigeria (Doctoral dissertation, University of Salford).

Warnock, V.C and Warnock, F.C., 2008. Markets and Housing Finance. Journal of Housing Economics, 17, 239-251.National Bureau of Economic Research.

Waziri, G.A. and Roosli, R., 2013. Housing Policies and Programmes in Nigeria: A Review of the Concept and Implementation. *Business Management Dynamics*, *3*(2), pp.60-68.

Wheeler, B., 2015. A history of social housing. BBC News, 14.

Windapo, A., 2000. Constrain of the Construction Industry in an Unstable Economy. In *A seminar Paper on effective approach to housing Delivery. Organised by Nigerian Institute of Building. Ibadan*.

Wu, J., Gyourko, J. and Deng, Y., 2015. Real estate collateral value and investment: The case of China. *Journal of urban Economics*, *86*, pp.43-53.

Xudong, A., (2008). Macroeconomic Growth, Real Estate Market conditions, and the time series.

Yin, R.K., 2009. Doing case study research. Sage, Thousand Oaks, CA.

Yu, Q., Yen, D.A., Barnes, B.R. and Huang, Y.A., 2019. Enhancing firm performance through internal market orientation and employee organisational commitment. *The International Journal of Human Resource Management*, *30*(6), pp.964-987.

Žukauskas, P., Vveinhardt, J. and Andriukaitienė, R., 2018. Philosophy and paradigm of scientific research. *Management Culture and Corporate Social Responsibility*, p.121.

http://economicconfidential.com/wp-content/uploads/2016/10/Economic-Confidential-Salary-of-Nigerian-Military.pdf. Accessed on 26th December 2016

https://www.academia.edu/23285007/CENTRAL_BANK_OF_NIGERIA_Mortgage_Financing_in_Nigeria. (Accessed 17th March, 2017).

https://www.curbed.com/2019/5/15/18617763/affordable-housing-policy-rent-real-estate-apartment (Assessed 24th August, 2018).

https://www.worldbank.org/en/country/india (Accessed 17th April, 2018).

http://study.sagepub.com/sites/default/files/Wilson%202014%20-%20CH1.pdf (Accessed 4th October, 2018).

https://www.bankbazaar.com/home-loan/pradhan-mantri-awas-yojana.html (Accessed 18th April, 2018).

http://www.idfc.com/pdf/publications/Paper1-Housing-Policy-Review-Final.pdf (Accessed 20th April, 2018).

https://www.bankbazaar.com/home-loan/pradhan-mantri-awas-yojana.html (Assessed 18th April, 2018).

http://www.trustbondmortgagebankplc.com/page.php?pageid=50andyset= (Accessed 11th December 2017).

http://mban.org.ng/about/(Accessed 13th December 2017).

https://leadership.ng/2018/03/07/mortgage-loan-can-create-70-jobs-mban/(Accessed 23rd March 2018).

http://www.neca.org.ng/index.php/about-neca/who-we-are(Accessed 15th December 2017).

http://mohua.gov.in/cms/projects-under-jnnurm.php(Accessed 17th April, 2018).

https://unhabitat.org/wp-content/uploads/2019/04/Indicator-11.1.1-Training-Module.pdf(Accessed 4th May, 2019).

https://knoema.com/atlas/Nigeria/topics/Economy/Financial-Sector-Interest-rates/Interest-rate-spread(Accessed 7th April 2020).

https://www.fss2020.gov.ng/mortgage/ (Accessed 24th April 2020).

APPENDIX 1: (Brief history of the respondents)

Respondent 1. (Mr. Richard Esin - FMBN)

Richard's was Ag. MD/CEO FMBN, before elevated to the Ag. MD/CEO, he was the Executive Director in same FMBN. Prior to joining FMBN, he served as an Executive Director - Sales, Strategy, Product Development and Corporate Services in a Mobile Money company, Assistant General Manager in charge of the Electronic Banking Business Division in a large Retail Bank. Under his leadership, FMBN started a journey of self-re-invention hinged on four pillars, namely; Corporate Governance, Bank profitability, operational effectiveness and debt recovery. These efforts have yielded the following results, FMBN recorded her first profit (Operating Surplus) of N2.7b in the 2016 financial year, for the first time in over 20 years restoration of Stakeholders' confidence in the bank leading to the endorsement of the Bank's plan for recapitalisation to the tune N500b by the National Council on Housing in August 2016 and signing of a Memorandum of Understanding (MOU) with Shelter Afrique and the Real Estate Developers Association of Nigeria (REDAN) for the provision of $2b over the next 10 years as Construction Finance to Nigerian housing developers for the development of affordable housing units nationwide, using the National Housing Model for each geo-political zone. Richard holds a Bachelor of Science degree (Hons) in Accounting, a Master's degree in Business Administration, and another Master's degree in Analysis, Design and Management of Information System from the London School of Economics, London. Richard's work experience over the last 25 years span Sales and Business Development function, Operation services, Change Management, Business Processes redesign and re-engineering, Creation and implementation of workable Operational models, Product Development and Management and the flawless execution of Audit programs.

Respondent 2. (Mr. Mohammed Abdu Yakasai - CBN)

Is a Deputy Director, Head of Technical Support office of the Governor of Central Bank of Nigeria (CBN) and a former Special Assistant to the former Governor of CBN. He was appointed in May 2013 to June 2015 as Member Board of Directors (CBN representative) Federal Mortgage Bank of Nigeria. During the time, he held various positions in FMBN as Chairman, Board Credit Committee responsible for the review of credit appraisal policies for all category of loans, determine terms, conditions and credit limits, monitoring and evaluation of credit administration and other matters referred to it by the Board. He was also the Chairman, Board Risk Management and Operations Policies Committee responsible for the establishment of policies on risk oversight and management, as well as review operations policies and new products for the bank, Inquire of Management and the independent auditor about significant business, political, financial and control risks or exposure to such risks and oversee and monitor Management's review, at least bi-annually and more frequently if necessary, the Bank's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks). He's a Member, Board Audit and Board Establishment Committees. Before joining CBN, he worked with Unity Bank Tropical Commercial Bank Plc, Equatorial Trust Bank, Oceanic Bank International Ltd, Citi - Bank (Formerly Nigeria International Bank Ltd). He has over 23 years Banking experience.

Respondent 3. (Mrs. Eucharia O. Aloze - MPW and H

She is a Deputy Director and Head of Public Private Partnership (PPP) in the Ministry of Power Works and Housing (MPW and H). She was appointed on two different terms as Member Board of Directors (MPW and H representative) Federal Mortgage Bank of Nigeria.

Respondent 4. (Mr. Rev. Chime Ugochukwu Obiora - REDAN)

Reverend Chime Ugochukwu Obiora is the National President of Real Estate Developers Association of Nigeria (REDAN), President of Enugu Chamber of Commerce, Industry, Mines and Agriculture (ECCIMA), Surveyor, Real Estate Developer and Physical Development Consultant.

He had 15 years working experience with Anambra/Enugu States Government in Ministry of Lands, Survey and Urban Development (May 1980 – June 1995). He is also the Chairman, Bethel Microfinance Bank Ltd and sits on the Board of many other companies.

His first degree in Geography was from University of Nigeria, a Post Graduate Diploma (PGD) in Surveying, Geodesy and Photogrammetry and another PGD in Management. He also obtained a Graduate Diploma in Theology from Agape Bible College Enugu. He got registered with the Surveyors Registration Council of Nigeria (SURCON) in 1995 and earned a fellowship of the Nigerian Institution of Surveyors (FNIS) in 2010.

Respondent 5. (Comrade. Benson Upah - NLC)

Mr. Benson is the Head of Information and Public Affairs of the Nigerian Labour Congress (NLC), a member of a Joint Technical Committee of FMBN from 2013 to date, a member of the National Joint PPP of Housing from 2010 to 2012 with a mandate by the President of Nigeria to build 4,000 houses across Nigeria, a member of subcommittee on Pension Fund Accessibility of National Joint PPP, a member of the Joint Technical Board/NLC sub committee for the restructuring of FMBN under the leadership of Professor Mabugunje, member presidential delegation to South Africa on Housing in 2003.

Respondent 6. (Mr. Mahmud Othman - NECA)

Mr. Mahmud was the Chairman Committee on HR Experts in Nigerian Employers Consultative Association (NECA) and Member management of NECA, representative of NECA in Leventis Group of Companies, representative of NECA in National Minimum Wage Committee (2009-2010), representative of NECA at the National Conference (2014), representative of NECA in the African Union in Addis-Ababa committee on Labour and Social Development and representative of NECA at the Governing Board Member of Micheal Emodu Institute of Labour Studies Ilori Nigeria.

Respondent 7. (Dr. Farouk Aminu - PENCOM)

Dr. Farouk is the Head of Research and Strategy Management Department of National Pension Commission (PENCOM). He was a lecturer at Hassan Usman Katsina Polytechnic for 14 years. He had a BSc in Mathematics from University of Sokoto Nigeria, PGD in Computer Science from FUT Minna Nigeria, MSc and PhD in Operational Research from University Lancaster United Kingdom (October 2003).

Respondent 8. (Prof. Ahmadu Umaru Sanda - SEC)

Prof. Sanda (PhD) is a Director Office of the Chief Economist (OCE) in Securities and Exchange Commission (SEC) Nigeria. He previously worked with Usmanu Danfodiyo University for over 20 years as Deputy Director Academic Planning, Deputy Dean, Faculty of Social Sciences, Member University Public Relations Committee, Chairman, University Publication Editorial Committee. Served as member, Vision 202020 macroeconomic framework committee. Consultant with World Bank on Community Social Development Programme (CSDP) Midterm Review from October - November 2011.Prof. Sanda has a

PhD in Financial Economics from University Sains Malaysia (July 2000), M.A. Economics and Econometrics from University of Kent at Canterbury England (1993), B.Sc. Economics (First Class) Usmanu Danfodiyo University, Sokoto, 1985 (formerly University of Sokoto).He also supervised postgraduate students (5 PhD and 2 MSc), published 21 journals and present seminar papers.

Respondent 9. (Mr. Kayode Akande - PPL)

Executive Director Business Development and Investment in Premium Pension Limited Abuja Nigeria, a system analyst and a Chartered Accountant of Nigeria. His experiences are in Banking, Pension Administration and the Information Technology sector.

Respondent 10. (Mr. Bartholomew Aja - DMO)

He is the Head of Contingent Liabilities and Risk Asset Management Department in Debt Management Office (DMO) Abuja Nigeria. He has a BSc Economics University of Nigeria (Nsukka), MSc in Economics from University of Abuja, MSc in Financial Economics and Econometrics from Essex University United Kingdom.

Respondent 11. (Mr. Adeniyi Akinlusi - MBAN)

Adeniyi is the President Mortgage Banking Association of Nigeria (MBAN) and the Chief Executive of TrustBond Mortgage Bank Plc since 2006. He hold a B.Sc (Accounting) from University of Ilorin and a Masters of Business Administration (MBA) from University of Lagos Nigeria.

He is a Fellow (FCA) of the Institute of Chartered Accountants of Nigeria (ICAN), Fellow of the Chartered Institute of Taxation (FCTI), Fellow of the Institute of Credit Administration (FICA) and Fellow of the Association of Investment Advisers and Portfolio Managers (FIAPM). He is also an Alumnus of Harvard Business School (HBS) Boston, U.S.A., the International Institute for Management Development (IMD), Lausanne, Switzerland, Lagos Business School, (LBS), Lagos, Nigeria and an Honorary Senior Member of the Chartered Institute of Bankers of Nigeria (HCIB).

After over 20 years of extensive and diversified banking experience in niche banking including, Corporate, Retail, Branch, Regional, Oil and Gas, Public Sector and Mortgage

Banking, he retired from Intercontinental Bank as a General Manager and moved fully to Intercontinental Homes (Now TrustBond Mortgage Bank PLC) in 2011 where he has been the Chief Executive.

http://www.trustbondmortgagebankplc.com/page.php?pageid=50andyset=

APPENDIX 2: (List of respondents from varying stakeholders organisation)

S/N	RESPONDENTS/CODES	POSITION	ORGANISATION	QUALIFICATION	YEARS OF EXPERIANCE	INTERVIEW DATE	DURATION OF THE INTERVIEW
1.	Respondent I **(R1)**	Ag. Managing Director/CEO	FMBN	B.Sc, M.Sc	25	13th April 2017	42 Minutes
2.	Respondent II **(R2)**	Deputy Director (HTSO)	CBN	M.Sc	23	11th April 2017	39 Minutes
3.	Respondent III **(R3)**	Deputy Director (HPPP)	MW and H	B.Sc	28	3rd May 2017	44 Minutes
4.	Respondent IV **(R4)**	President	REDAN	PGD	24	5th April 2017	24 Minutes
5.	Respondent V **(R5)**	Head of Information and Public Affairs	NLC	B.Sc	26	15th May 2017	41 Minutes
6.	Respondent VI **(R6)**	Director, Public Affairs Consultant	NECA	B.Sc, M.Sc	35	6th April 2017	49 Minutes
7.	Respondent VII **(R7)**	Head, Research and Strategy Mgt. Dept.	PENCOM	B.Sc, M.Sc, Ph.D	27	12th June 2017	35 Minutes
8.	Respondent VIII **(R8)**	Director, (OCE)	SEC	Ph.D (Prof.)	30	5th May 2017	29 Minutes
9.	Respondent IX **(R9)**	Executive Director, Bus. Dev. and Invst.	Premium Pension	M.Sc	20	3rd May 2017	44 Minutes
10.	Respondent X **(R10)**	Head, Contingent Liabilities	DMO	M.Sc	23	6th June 2017	47 Minutes
11.	Respondent XI **(R11)**	President	MBAN	B.Sc, MBA	27	30th November 2017	37 Minutes

APPENDIX 3: (Letter of introduction to participant's – Sample copy)

Federal Mortgage Bank of Nigeria (FMBN)
Special Products Group (SPG)
Plot 266, Cadastral AO
Central Business District
Abuja
21st March 2017

Ag. Managing Director
Federal Mortgage Bank of Nigeria (FMBN)
Plot 266, Cadastral AO
Central Business District
Abuja

Dear Sir,

LETTER OF INTRODUCTION AS A DOCTORATE RESEARCH STUDENT

I am a Doctorate student with Nottingham Trent University United Kingdom and also a staff of Federal Mortgage Bank of Nigeria (FMBN). The purpose of my research work is encapsulated in finding how to overcome the ***challenges of housing finance in Nigeria.*** The research has Federal Mortgage Bank of Nigeria as a case study (See attached for detail). This research will benefit the researcher in partial fulfilment of the requirements for a Doctorate Degree in Business Administration (DBA).

There have been limited studies undertaken in the country on the challenges of housing finance as it relates to mortgage banking sector. The research will contribute to the general understanding of the subject for the benefit of Nigerians who are contributors to National Housing Fund (NHF), Primary Mortgage Banks (PMBs), stakeholders, Private Companies, research students and adds to the body of available knowledge in housing/mortgage finance. Data gathered through this research will help in overcoming the challenges of housing finance in Nigeria.

This research has been approved by Nottingham Business School. The researcher collects no identifying information of any respondent unless willingly and signed in a consent form. I wish to express my gratitude for your assistance.

I would appreciate meeting you face-to-face to conduct an interview on the subject. The meeting will last not more than 20 minutes in a place and time convenient to you.

Thank you for considering this request and expecting to hear from you.

Yours Sincerely

Ibrahim Barhama Boyi
Telephone +234(0)8032220555
Email; ibrahimbarhama@yahoo.com or ibrahim.boyi2011@my.ntu.ac.uk

APPENDIX 4: (Interview questions)

Federal Mortgage Bank of Nigeria (FMBN) objective is "To supply the mortgage and housing markets with sustainable liquidity for the advancement of home ownership among Nigerians anchored on mortgage financing".

1. A) How can FMBN be improved to meet this objective?

B) Why are the funds available to FMBN (being the only Government – sponsored Secondary Market Institution in the country) inadequate to finance mortgages and residential estate?

[ ] 1 – Lack of Government funding
[ ] 2 – Non remittance of NHF deduction by organisations
[ ] 3 – Under capitalisation of FMBN
[ ] 4 – Nonpayment of share capital by stakeholders
[ ] 5 – Low NHF contribution by individuals

C) What is your opinion on the performance of FMBN on the following?

S/N	Ratings	Low	Moderate	High
i.	Delivery of low cost NHF funded houses to ben	1	2	3
ii.	Prompt processing of NHF Applications.	1	2	3
iii.	Timely approval of NHF mortgage loans	1	2	3

2. A) Do you think that the current method of accessing NHF loans from FMBN through the Primary Mortgage Banks (PMBs) is the cheapest in Nigeria (at 6% interest rate)? Yes ( ) / No ( ).

B) Why?

C) How do you think PMBs can have access to cheap funds through other sources of finance to create mortgages at lower interest rate for Nigerians?

[ ] 1 – Through Public Private Partnership (PPP)
[ ] 2 – By floating Bonds on the Capital Market
[ ] 3 – Accessing Government intervention funds
[ ] 4 – Accessing the Pension funds at lower interest rate
[ ] 5 – Others (Please specify……………………………………)

D) On a scale of 1 - 5
Do you think that FMBN should be recapitalized to enable it meet the housing demand of Nigerians?

[ ] 1 – Strongly Disagree
[ ] 2 – Disagree
[ ] 3 – Neutral
[ ] 4 – Agree

[ ] 5 – Strongly Agree

4. What strategies can FMBN adopt in terms of mortgage creation to address the following challenges:

   a) Lack of affordability by NHF contributors.
   b) Building low-cost houses by estate developers.

   The NHF Act of 1992 states that:
   i) Other stakeholders such as Commercial or Merchant Bank shall invest in the Fund 10% of its loans and advances at an interest rate of 1% above the interest rate payable on current account by banks.
   ii) Every registered insurance company shall invest a minimum of 20% of its non-life funds and 40% of its life funds in real property development of which not less than 50% shall be paid into the Fund through the FMBN at an interest rate not exceeding 4%.

4. A) Why do you think financial institutions (i.e Commercial and Merchant Banks, Insurance Companies) are not investing in real estate development as specified by the Act?

   B) Do you think FMBN should enforce penalty for the failure by stakeholders to invest in Real Estate Development as specified by the Act? Yes ( ) / No ( ) Why?.

5. Why is land not easily accessible and affordable for Estate Developers to build mass housing in the country?

6. Do you think that the approaches adopted by FMBN (i. e FMBN Home Renovation Loan and Cooperative Housing Loan) to complement the existing NHF mortgage loans for Housing Finance is adequate? Yes ( ) / No ( ). Why?

7. What other system will you suggest for FMBN to complement the existing resources from NHF Scheme?

   [ ] 1 – Raising funds from the Capital Market
   [ ] 2 – CBN intervention funding
   [ ] 3 – Government budget allocation
   [ ] 4 – Increase in percentage of NHF Contribution
   [ ] 5 – Off-shore funding/foreign investment in FMBN
   [ ] 6 – Others (Please specify…………………….…………………………)

Nigeria presently operates a Bundle Housing Finance System in which one Mortgage Institution (e.g company A) markets, underwrites, funds and services mortgages to customers. While in an Unbundle System, different companies play each of these roles such as:

- *Company A (Brokers): Markets mortgage services*
- *Company B (Mortgage Banks): Underwrites the loans*
- *Company C (Wholesale Lender): Funds the loans*
- *Company D (Servicer): Handles loans repayments*

Nigeria also operates a Depository-Based funding mechanism under which mortgages are financed with the deposits in financial institution and Contributors deposit to the NHF savings. While, the other funding mechanism is the Capital Market funding approach, which relies on investments from the capital markets to fund mortgages

8. A) Do you think the current Nigerian housing finance system (i.e the bundle system) is more efficient? Yes ( ) / No ( ).

   B) Why?

   C) What model/system of housing finance do you think will be suitable to alleviate housing deficit in the country?

9. How do you think we can strengthen the institutional framework of housing finance in Nigeria to facilitate effective housing delivery?

   [ ] 1 – Low cost housing provision
   [ ] 2 – Lower interest rate below the current 6% NHF rate
   [ ] 3 – Market deriving interest rate above the current 6% NHF rate
   [ ] 4 – Partnership with foreign investors
   [ ] 5 – Collaboration with State Government, i.e access to land and infrastructure.
   [ ] 6 – Others (Please specify…………………………….…………………)

APPENDIX 5: (Brief introduction of the research topic to respondents)

Challenges of Housing Finance in Nigeria: The Case Study of Federal Mortgage Bank of Nigeria (FMBN)

Thank you for choosing to participate in a piece of research currently being conducted by Ibrahim Barhama Boyi, a Doctorate research student with Nottingham Trent University, Nottingham Business School in the United Kingdom. The purpose of the research is to identify how to overcome the Challenges of Housing Finance in Nigeria, Federal Mortgage Bank of Nigeria as a case study of the research.

I would like you to take part in an interview, which will last no longer than twenty minutes. The researcher will be asking several questions some of which will be pre-set and can be made available beforehand upon your request. Information collected in this study will benefit the contributors to the National Housing Fund (NHF), Primary Mortgage Banks (PMBs), stakeholders, Private Companies and research students by better understanding how to overcome the Challenges of Housing Finance in Nigeria.

Participation in this research is voluntary; compensation, monetary or otherwise, will not be provided. There are also no penalties for non-participation and the researcher will only know this decision. You have the right to withdraw at any time without giving a reason either during the interview or thereafter. If you wish to withdraw please contact Ibrahim Barhama Boyi and ask him to withdraw the data you have provided. All data will be stored in accordance with the UK Data Protection Act (1998) and the confidentiality of your data will be maintained at all times. All recordings of interviews will be transcribed and the ensuing information will be organised that the participants and their organisations can only be identified with their consent. Only the researcher Ibrahim Barhama Boyi and his supervisors will have access to the anonymous data for analytical purposes.

Your participation will provide data for a doctorate research project in partial fulfilment for a Doctorate Degree in Business Administration for Ibrahim Barhama Boyi. Extracts from the interviews may be used in this report as well as when disseminating the findings of the project in outlets such as academic journals or conferences. During this process all published data will remain anonymous.

Your participation in this research would be greatly appreciated and will form a valuable contribution on how to overcome the Challenges of Housing Finance in Nigeria. If you are happy to participate, please complete the attached consent form before the interview.

If you have any questions regarding this research project in general, please contact Ibrahim Barhama Boyi or his academic research advisors Dr. Faisal Ahammad Muhammad at m.ahammad@shu.ac.uk or Dr. Nguyen Thao at thao.nguyen@ntu.ac.uk and if you wish to follow up on any issues please do not hesitate to email Ibrahim Barhama Boyi on ibrahim.boyi2011@my.ntu.ac.uk or ibrahimbarhama@gmail.com or call on phone number +2348032220555.

Kind Regards

Ibrahim Barhama Boyi

APPENDIX 6: (Participant's consent form)

Consent Form

Dear Sir/Ma,

I wish to thank you most profoundly for participating in my research interview held on the ……………. at ……………………………………, which will last for about…………………. minutes on the research work/thesis entitled "***Challenges of Housing Finance in Nigeria: the Federal Mortgage Bank of Nigeria (FMBN) Experience***".

As I have earlier informed you in writing about the purpose of the study prior to the interview and exactly what is required in order to participate, the interview was digitally recorded and will be transcribe on the understanding that the recording will be destroyed at the end of the project.

In addition to that, I wish to seek your consent that your name and/or brief bio data be quoted in the research project and journals likely to be published in future for the benefit of people in the housing/mortgage industry as well as people in the academia.

Kindly sign below to indicate your acceptance of this humble request:

Full Name	
Position	
Organisation	
Signature	
Date	

Researcher:
Ibrahim Barhama Boyi

Doctorate Research Student

Nottingham Business School

Nottingham Trent University

Burton Street, Nottingham, UK, NG1 4BU

Mobile: +234(0)8032220555. Email; ibrahim.boyi2011@my.ntu.ac.uk

Email; ibrahimbarhama@yahoo.com

APPENDIX 7: (Informed consent form)

Informed Consent Form

Participant's Statement

In relation to the "**Challenges of Housing Finance in Nigeria: A Case Study of Federal Mortgage Bank of Nigeria (FMBN)**" research project, I have been fully informed, in writing, about the purpose of the study and exactly what is required in order to participate. I have read and fully understood the covering sheet to this consent form and agree to participate voluntarily.

In ticking this box, I give permission to be digitally recorded on the understanding that the recording will be destroyed at the end of the project. ☐

In case I do not wish to be recorded, in ticking this box I agree for the researcher to take notes. ☐

In signing below, I agree to take part in this research project.

Full Name (Print)	
Signature	
Date	

Researcher:

Ibrahim Barhama Boyi
Doctorate Research Student
Nottingham Business School
Nottingham Trent University
Mobile: +234(0)8032220555. Email; ibrahim.boyi2011@my.ntu.ac.uk
Email; ibrahimbarhama@yahoo.com

APPENDIX 8: (Overview of Rent-to-own policy)

Features of FMBN Rent-to-own

- Tenant must be a contributor to the National Housing Fund.
- The maximum purchase price of the property shall be ₦15million, affordability of which shall be determined by the income limit of the beneficiary.
- The rent payment period shall not exceed thirty (30) years.
- Interest rate shall be 9% on the price of the property on annuity basis.
- FMBN shall approve the home sale price and rent payable for the houses.
- Monthly or annual payment shall not exceed *1/3* of the applicant's monthly salary/income.
- Advance monthly or annual repayment is permissible. (The earlier the tenants pay the earlier you own the property).
- Full payment for the property before the expiration of the agreed tenor is permissible (at no extra charges).
- Houses allocated under the scheme must be occupied by the beneficiary and cannot be transferred, rented out or sublet until all obligations have been fulfilled with FMBN.
- There shall be update of the details of NEXT OF KIN BIANNUALLY.
- Where a tenant defaults for six (6) consecutive months as result of non-payment of his salary by his employer, the tenant would be given a grace period of 3 MONTHS to pay the arrears as soon as the salary is paid while continuing with the normal monthly/annual repayment as at when due.
- Where the default is as a result of loss of job or illness, recourse shall be made to the tenant's insurance for the purpose of completing payment of the house.
- Where default is as a result of death, the tenant's next of kin shall not be allowed to pay the remaining balance for the house to FMBN. However, insurance company shall be notified to payoff for the property.
- However, where default is deliberate UPTO SIX (6) OR THREE (3) MONTHS IN THE CASE OF ANNUAL OR MOTHLY REPAYMENTS RESPECTIVELY, a Notification letter shall be provided to the tenant in order for a remedy to be affected by the tenant. Where a tenant does not have such remedial option, the tenant shall be evicted and would not be entitled to any refund, as he would have only stayed in the property as a tenant under rental agreement.

- Where the Tenant pays monthly and there is a default of 6months, the tenants shall be served three (3) months quit notice. Where the tenant pays annually and there *is a default of 6months*, the tenant shall be served 6 Months quit notice.
- The facility shall not be available to any contributor who has enjoyed NHF loan (to buy or build a house). This would be enforced through a robust IT system.
- The repayments of the loan will be made through the FMBN TSA (Treasury Single Account).
- The property shall be purchased in the name of FMBN, and the title will only be transferred to the beneficiary upon full payment for the property.
- The employer of the tenants must inform FMBN of any change of employment or death of the beneficiary within ONE WEEK OF THE OCCURRENCE OF SUCH.
- The auto debit mandate clearly showing the tenant's BIOMETRIC VERIFICATION NUMBER (BVN) will also guarantee access to the applicant's other accounts in the event of repayment defaults.
- Spouses can access RTO scheme by having to be appraised based on their income and remaining years in service in order to be able to enhance their eligibility. The tenor shall be determined based on the lowest remaining years in service of either of the spouse (FMBN Rent to Own Report, 2018).

Documentation of FMBN Rent-to-own

Documentation remains an important part of the rent-to-own product. This will provide both parties with the protection each desire for their transaction. The documentation will include the following:

- One passport-sized photograph (with white background standard), name and signature behind.
- NHF contribution number.
- Proof of identity - Valid Driver's license, National ID card, International Passport or Staff I. D. card.
- Pay slip for the last 3 months preceding the application.
- Last pay slip from previous employer, if applicant has changed job within the last six months.
- Certified personal bank statement for the last six months.
- Copy of letter of confirmation by employer.

- Letter of undertaking from employer to deduct the rental payment from the beneficiary's salary and allowances and remit same to FMBN's TSA account.
- Evidence of additional income to service the rent (if any)
- Provision of BVN
- Execution of the following agreements;
  - Rental agreement
  - Sales agreement and
  - Arbitration agreement
- Rental Agreement: The agreement will spell out the terms of the tenancy while renting the property.
- Sale Agreement: In the agreement for sale, the title to the property shall remain with FMBN until the entire price is paid before being transferred to the beneficiary. The Sale Agreement shall spell out the purchase price and terms of sale (FMBN Rent to Own Report, 2018: 7).

Benefits of FMBN Rent-to-own

- Zero equity (100% mortgage).
- The rent-to-own housing scheme will help to provide access of more Nigerians to housing and assist in reducing the country's housing deficit.
- Beneficiaries will be given immediate possession of the property.
- As an alternative to mortgage or borrowing, the tenant/ buyer who ordinarily may not meet up with the payment of his/her equity contribution will be saved the worries of raising that bulk money.
- Beneficiaries will not need to immediately perfect fund mortgage documents as collateral for mortgage.
- Other buyers and any possible upward review of the cost of the house are locked out so that the tenant/buyer will not have to worry about future increase in the unit cost of the house or the possibility of another buyer picking the property.
- There is possibility of tax breaks. Both mortgage interest and property tax are tax deductible on income tax return.
- Also, it is an investment over the long term with huge potential for capital appreciation.
- There are no supplementary or hidden charges
- It will increase the financial status of the Bank.

- It will assist the government to address the housing needs of its citizens by reducing the housing deficit**.**

APPENDIX 9: (Review of NHF loan administration year 2002)

NHF is geared towards offering very much improved service delivery to contributors to the Fund. All perceived and real impediments against the realization of homeownership through mortgage were removed by:

- Abolishing of many of the obnoxious provisions of Statutory Instrument (S.I.) of 1996 on the "terms and conditions for obtaining loans from the NHF by mortgage institutions and individual contributors".
- Lowering of interest rate from 5% to 4% for lending to Primary Mortgage Institutions (PMIs).
- Lowering of interest rate from 9% to 6% for lending to contributors to the Fund by PMBs.
- Increase of the quantum of lending (loan ceiling) from N1.5 million to N5 million per Fund contributor.
- Extension of amortization (repayment) period to 30 years from 25 to lighten the burden of repayment.
- Effecting a change in the mortgage equity contributions which is FMBN 90% and mortgagor 10% instead of the previous FMBN 80% and the PMI 20%.
- Expansion of borrower's income from which no more than *1/3* is applicable for loan servicing to include rental income, dividend and other income aside from salary.
- Inclusion of house expansion as an acceptable purpose for NHF mortgage loans.
- The introduction of multiple lending windows to accommodate PMIs, private housing estate developers, state housing corporations and housing cooperatives.
- The encouragement of the production of target priced (N1 million to N5 million) mass houses by private housing estate developers, state housing corporations and housing cooperatives who can now access the Fund at interest rate reduced from 15% to 10%.
- The removal of the emphasis on "block of existing mortgages" as the preferred security for accessing loans and the introduction of a plurality of alternative securities acceptable from PMIs for NHF loans as follows:

- Property owned by applicant company
- Property owned by directors of the applicant company
- Guarantee from a Universal Bank acceptable to FMBN
- Insurance bond/guarantee
- Debenture
- Treasury bills and other financial instruments
- Indemnity bonds
- Tripartite Collaborative Agreements

- The creation of the Real Estate Developers Association of Nigeria (REDAN) and the Building Materials Producers Association of Nigeria (BUMPAN) lead to the establishment and strengthening of institutions for mass housing delivery under the NHF scheme.

APPENDIX 10: (Interview questions in line with research questions and objectives)			
	Research Questions	**Research Objectives**	**Interview Questions/Remarks**
1.	What are the modes of acquiring housing loans in Nigeria?	To categorise the different modes of acquiring loans from PMBs by all the stakeholders.	These has been discussed and analysed using a qualitative method in document 3, further discussion on these objectives will be done in document 5.
2.	What are the major difficulties encountered in acquiring loans? In what ways do these problems affect FMBN?	a) To identify the challenges encountered in the process of acquiring loans. b) To examine the challenges encountered by other institutions involved in providing adequate loans to individuals.	These has been discussed and analysed using a qualitative method in document 3, further discussions will be done in document 5.
3.	To what extent do beneficiaries view the role played by FMBN?	To ascertain the role-played by FMBN in financing mortgage for NHF Contributors.	These has been discussed and analysed using a quantitative method in document 4, further discussion on it will be done in document 5.
4.	Is the delivery of homes acceptable to the beneficiaries of National Housing Fund in Nigeria?	To enhance the delivery of affordable housing to low and middle-income earners in Nigeria.	These has been discussed and analysed using a quantitative method in document 4, further discussion on it will be done in document 5.
5.	What are the strategies for prioritisation of loans?	a) To determine the affordability of individuals in terms of access to NHF loan. b) To determine how well the strategies used by FMBN in creating mortgages.	FMBN objective is *"To supply the mortgage and housing markets with sustainable liquidity for the advancement of home ownership among Nigerians anchored on mortgage financing".* 1. A) How can FMBN be improved to meet this objective? B) Why are funds available to FMBN (being the only Secondary Market in the Nigeria) inadequate to finance mortgage and

<table>
<tr>
<td></td>
<td></td>
<td>c) To explore a cost-effective means to providing affordable houses to low and middle-income earners.</td>
<td>
Residential estate?

[ ] 1 – Lack of Government funding
[ ] 2 – Non remittance of NHF deduction by organisations
[ ] 3 – Recapitalisation of FMBN
[ ] 4 – Non-payment of share capital by stakeholders
[ ] 5 – Low NHF contribution by individuals

C) What is your opinion on the performance of FMBN on the following:

<table>
<tr><th>S/N</th><th>Ratings</th><th>Strongly Disagree</th><th>Disagree</th><th>Neutral</th><th>Agree</th><th>Strongly Agree</th></tr>
<tr><td>i.</td><td>Delivery of low cost NHF funded houses to beneficiaries.</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>ii.</td><td>Prompt processing of NHF Applications.</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>iii.</td><td>NHF Mortgage loans Approval within six (6) months.</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
</table>

2. A) Do you think the current method of accessing NHF loans from FMBN through the Primary Mortgage Banks (PMBs) is the cheapest in Nigeria (at 6% interest rate)?
Yes ( ) / No ( ). Why?

B) How do you think PMBs can have access to cheap funds through other sources of finance to create mortgages at lower interest rate for Nigerians?
[ ] 1 – Through Public Private Partnership (PPP)
[ ] 2 – By floating Bond in the Capital Market
[ ] 3 – Liaising with foreign partners
[ ] 4 – Accessing the Pension funds at lower interest rate
[ ] 5 – Others (Please specify………………………………………………)
</td>
</tr>
</table>

			C) On a scale of 1 - 5 Do you think FMBN should be recapitalized to meet the housing demand of Nigerians? [ ] 1 – Strongly Disagree [ ] 2 – Disagree [ ] 3 – Neutral [ ] 4 – Agree [ ] 5 – Strongly Agree 3. What strategies can FMBN adopt in terms of mortgage creation to address the following challenges: a) Lack of affordability by NHF contributors. b) Building low-cost houses by estate developers. The NHF Act of 1992 states that: i) Other stakeholders such as Commercial or Merchant Bank shall invest in Fund 10% of its loans and advances at an interest rate of 1% above the interest rate payable on current account by banks. ii) Every registered insurance company shall invest a minimum of 20% of its non-life funds and 40% of its life funds in real property development of which not less than 50% shall be paid into the Fund through the FMBN at an interest rate not exceeding 4%. 4. A) Why do you think corporations (i.e Commercial and Merchant Banks

			Insurance Companies, National Pension Commission) are not investin Real Estate Development as specified by the act? b) Do you think FMBN shall provide penalty for the failure by stakeholders to invest in Real Estate Development as specified by the act? Yes ( ) / No ( ) Why?. 5. Why is land not easily accessible and affordable for Estate Developers to build mass housing in the country?
6.	What is the housing finance model currently used in Nigeria? What evidence can be deduced from industrialised countries that suggest a more effective model?	To develop a most effective model for housing finance in Nigeria.	1. Do you think the approaches adopted by FMBN (i. e FMBN Home Renovation and Cooperative Housing Loans) to compliment the existing NHF Housing Finance is adequate? Yes ( ) / No ( ). Why? The current model of housing finance FMBN practicing is the Bundle system (i.e Contributory Saving Scheme). 2. What other system will you suggest for FMBN to complement the existing resources from NHF Scheme? [ ] 1 – Unbundled Mortgage Finance Systems [ ] 2 – Depository Based Mortgage Finance [ ] 3 – Secondary Market Based Mortgage Finance System [ ] 4 – Others (Please specify……………………………………………………) 3. What model of housing finance do you think will be suitable to alleviate housing deficit in the country?

			4. How do you think we can strengthen the institutional framework of housing finance in Nigeria to facilitate effective housing delivery? [ ] 1 – Low cost housing [ ] 2 – Lower interest rate below the current 6% NHF rate [ ] 3 – Partnership with foreign investors [ ] 4 – Collaboration with State Government, i.e access to land and roads. [ ] 5 – Others (Please specify…………………………………….…………)