Journal of Sustainable Development in Africa (Volume 13, No.8, 2011)
ISSN: 1520-5509
Clarion University of Pennsylvania, Clarion, Pennsylvania

URBAN HOUSING FINANCING IN THE SOUTH-EASTERN STATES OF NIGERIA: PROBLEMS AND PROSPECTS

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ABSTRACT

The main objective of this paper is to examine the operations of the mortgage finance institutions in Nigeria in urban housing development. The study is necessitated by the need to find solution to the lingering problem of housing financing in Imo and Abia States, South-Eastern region of Nigeria. The problem is exacerbated by the fact that banks and other financial institutions are operationally biased in favour of lending to other sectors where there is assurance of higher profitability and faster returns. The operations of the mortgage banks in Nigeria as revealed by respondents through our questionnaires are characterized by inefficient machinery and inadequate funding for effective implementation of the nation's housing programme. In this regard, concrete identification of the various problems facing the housing sector especially in Imo and Abia States of Nigeria provide the direction of the needed initiative in solving the urban housing problems if the current reforms must work. It is therefore the opinion of the author that there is need to enhance the accessibility of mortgage funds by prospective individuals and estate developers and encourage them to mobilize resources to meet varying housing demands.

Keywords: Mortgage Finance, Loans, Primary Mortgage Institutions, National Housing Fund, Development plan.

INTRODUCTION

The crisis situation in urban housing in the South-Eastern part of Nigeria comprising: Abia, Anambra, Ebonyi, Enugu and Imo States calls for urgent attention. The housing sector no wonder then plays a more critical role in a country's welfare than is always recognized, as it directly affects not only the well-being of the citizenry, but also the performance of other sectors of the economy. The phenomenal rise in population, number and size of our cities in recent years have manifested in the acute shortage of dwelling units which resulted in overcrowding, high rents, poor urban living conditions, and low infrastructure services and indeed high crime rates. Adequate housing provision has since the early 1970s consequently engaged the attention of most countries, especially the developing ones, for a number of reasons. First, it is one of the three most important basic needs of mankind-the others being food and clothing. Second, housing is a very important durable consumer item, which impacts positively on productivity, as decent housing significantly increases workers' health and well being, and consequently, growth. Third, it is one of the indices for measuring the standard of people across societies.

Consequently, programmes of assistance in the areas of finance, provision of infrastructure and research have been designed by governments to enhance its adequate delivery. The focus on finance has, however, been very prominent for obvious reasons. This is because housing provision requires huge capital outlay, which is often beyond the capacity of the medium income/low income groups. A major area of concern has been mortgage financing, which has often been fingered as one of the most formidable constraints in the housing sector. On the micro-level, it has been observed that house ownership is one of the first priorities for most households and it represents the largest single investment for most (between 50% and 70%) of household income. This observation becomes very significant when it is realized that per capita income in Nigeria has been on decline (currently ₦5000) as well as the real income of the average Nigerian. The rapid up-swing in the prices of building materials in the last ten years has further reduced the affordabilities for most Nigerians. Except the problem of how to finance the construction of housing for all income groups is effectively addressed, the housing problem is bound to further escalate.

It is in recognition of the critical importance of finance in housing delivery that the researcher has chosen to write on “Urban Housing financing in the South-Eastern States of Nigeria (A case study of Imo and Abia States)”. The thrust of the research work is therefore; to articulate the main issues that must be addressed so as to ensure efficient and sustainable credit delivery to the urban housing development. This paper therefore employs the use of primary data analysis using percentages. Some of the issues are discussed under the following headings: the theoretical framework and literature review on urban housing development and mortgage financing in Nigeria, the problems of mortgage finance in Nigeria and the strategies for effective resource mobilization, analysis of data, conclusion and recommendations.

THEORETICAL FRAMEWORK

Basic to any development is finance. Of all the problems of housing development in Nigeria, the problem of finance is very critical and decisive. The best programmes of any government, no matter how grand and viable in scope and content will remain a day dream, unless there is sufficient capital to concretize it. Despite various pronouncements, regulations and deregulations, and all financial implementation policies of this country, the issue of accessing sufficient funds for an effective housing delivery system remain perpetually unsolved. Moreover, the loss of focus by some Primary Mortgage Institutions (PMIs) in favor of non-core activities such as trading as well as the slow disbursement of National Housing Funds (NHF) to the PMIs, made some of them to be competing with the banks in sourcing of funds for purposes other than mortgage financing coupled with the inability of the financial institutions to mobilize resources effectively for low-income housing.

The Federal Mortgage Bank of Nigeria (FMBN) began operations in 1956 as Nigerian Building Society (NBS), under a joint venture arrangement involving Britain and Nigeria, with a major mandate to carry on retail mortgage finance business via mobilization of savings from the open market to fund individual mortgage loan demand (Mailafia, 2005). The NBS thus represented the first institutionalized housing finance mechanism in the formal sector of the Nigerian economy.

In 1977, NBS changed to Federal Mortgage Bank of Nigeria (FMBN) as a result of 100% ownership acquisition by the Federal Government of Nigeria. The objective was to make the Bank an effective vehicle for increasing mobilization of long-term funds, lending volumes and to extend its services to all parts of the country. It was therefore charged with a mandate to carry both retail and secondary mortgage business, as well as to promote the emergence and growth of primary mortgage institutions to be established by private entrepreneurs.

The Bank ceded away the retail mortgage function in 1993, in line with 1991 housing policy. This transformed FMBN into an apex, regulatory and wholesale mortgage bank. The main objective of the policy was to make the private sector the main vehicle for the organization and delivery of housing products and services, with government to serve as promoter and enabler. The policy also gave effect to the emergence of primary mortgage institutions (PMIs)—via Act 53 of 1989 and a mandatory savings scheme known as the National Housing Fund (NHF) via Act 3 of 1992. Every Nigerian earning a specified minimum income and above is required to contribute 2.5% of it to the Fund. The Bank has responsibility to manage the Fund. The advent of Housing and Urban Development Policy 2002 introduced institutional and legal reforms in the housing sector aimed at a private sector-driven, sustainable mass production of houses for ownership by Nigerians at affordable costs on mortgage basis. This is to principally address the current housing deficits estimated at some 20 million units.

PREVIOUS HOUSING PROGRAMMES IN NIGERIA

According to Adeniyi (1996), serious Federal Government intervention in public housing began in 1971 during the second National Development Plan. Prior to this time, three distinct periods may be identified for our purpose.

- The colonial era during which government transactions in the housing sector was primarily on providing quarters for the expatriate staff and for a few categories of indigenous workers like the police and railways. However, there was also within this period, some municipal and regional administrations' attempts at public housing; notably among which was that of the Lagos Executive Development Board in 1954. A good number of the housing estates in the country today originated from such efforts.
- The era of the first civilian administration (1960 – 1969). This period saw the beginning of the Five-Year National Development Plans aimed at providing stable and viable economic growth in the country but no significant impact was made on housing partly as a result of turbulent party politics.
- The Civil War (1967 – 1969); during which the attention of the Government was on the war. During the Second National Development Plan (1970 –1974), the National Council on Housing was established and the National Housing Programme was launched in 1971. A total of 59,000 housing units was proposed for the country; 15,000 in Lagos and 4,000 in each of the eleven state capital then. The Federal Housing Authority was later established in 1973 to coordinate the implementation of the housing programmes nationwide.

In the Third National Development Plan (1975 –1980), the envisaged active and direct involvement of the Federal Government in housing led to the setting aside of the sum of N2.6 billion for various projects associated with housing. A total of 202,000 dwelling units was again programmed for construction: 50,000 units in Lagos and 8,000 units for each of the remaining nineteen states. This marked the beginning of government's specific attention to the housing problems of the low income group. At the end of the plan period however, only 15% of the targeted number of houses was realized (Federal Ministry of Works, 2001). Also within this period, the Federal Government constructed the Festival Town in Lagos comprising a total of about 11,000 housing units. The low-income group was to receive 55% of these housing units but it has been said that they lost out completely in its implementation.

Again, the Shagari administration (1979-1983) made the provision of housing for the general public a priority project. An elaborate housing programme based on the concept of affordability and citizen participation was launched. A target of 2,000 units annually in each of the nineteen state capitals then and Abuja; giving a total of 40,000 annually across the country was proposed. The low income earners were the target beneficiaries and were to receive 80% of the houses. By mid 1983 however, only about 20% of the targeted figure – 32,000 out of the targeted 140,000- could be realized while again the low income lost out almost completely in the allocation.

NEW STRUCTURE FOR HOUSING FINANCE

The new housing policy has established a two-tier housing finance structure, with Federal Mortgage Bank of Nigeria (FMBN) as an apex institution and a decentralized network of Primary Mortgage Institutions (PMIs) such as building societies, housing co-operatives, home savings and loans associations. This structure aims to streamline processes and organizational relationships within the housing finance system and encourage expansion in private initiative (Enuenwosu, 1985). In this regard, the legal framework for the organization and implementation of the apex role of FMBN has been defined by the Mortgage Institutions Decree No.53 of 1989.

The Federal Mortgage Bank of Nigeria (FMBN)

The Federal Mortgage of Bank of Nigeria commenced operations in 1978, following the promulgation of the FMBN Decree No. 7 of January 1977 as a direct Federal Government intervention to accelerate its housing delivery programme. According to Onabule (1992), the FMBN is expected to expand and coordinate mortgage lending on a nation-wide basis, using resources from deposits mobilized and equity contributions by the Federal Government and CBN at rates of interest below the market rates. By mid-1980s, the FMBN was the only mortgage institution in Nigeria. However, it is arguable if this mandate has been satisfactorily performed to date.

Primary Mortgage Institutions (PMIs)

The promulgation of the Mortgage Institutions Decree No. 53 of 1989 provided the regulatory framework for the establishment and operation of Primary Mortgage Institutions (PMI) by private entrepreneurs. The FMBN under the decree became the apex institution, which regulates primary mortgage institutions and was empowered to license the PMIs as second tier housing finance institutions (Onabule, 1992). The PMIs, under the Decree were to mobilize savings from the public and grant housing loans to individuals, while the FMBN mobilizes capital funds for the primary mortgage institutions. The PMIs were expected to enhance private sector participation in housing finance.

The Federal Mortgage Finance Limited (FMFL)

The Federal Mortgage Finance Limited was established in 1993 to carry out the retail aspect of mortgage financing and provide credible and responsive housing finance services, while FMBN became the nation’s apex mortgage lending agency (Ebie, 2005). The FMFL is expected to provide long-term credit facilities to mortgage institutions in Nigeria to enable them grant comparable facilities to individuals desiring to acquire houses of their own; encourage and promote the emergence and growth of primary mortgage institutions (PMIs) to serve the need of housing delivery in all parts of Nigeria; and to collect, manage and administer contributions to the National Housing Fund (NHF) in accordance with the provision of the NHF Decree No. 3 of 1992.

National Housing Fund (NHF)

The NHF was established subsequent to the promulgation of the National Housing Fund Decree No.3 of 1992 as a mandatory contributory scheme to mobilize cheap and long term funds for housing credits. The Fund represented the financial component of the new National Housing Policy, which was adopted in 1991.

The concept of the National Housing Fund as proposed in the National Housing Policy is to ensure a continuous flow of long-term funding for housing development and to provide affordable loans for low income housing. The NHF is aimed at encouraging a multiplication of housing finance institutions, enhancing mobilization and growth of long-term funds and making loans affordable to more borrowers (Zubairu, 2001). Other objectives of the fund include: providing incentives for the capital market to invest in property development, encouraging the development of specific programmes that would ensure effective financing of housing development and to provide long-term loans to mortgage institutions for on- lending to contributors to the fund. It was to operate under the situation that all Nigerian workers earning an annual income of ₦3000.00 and above should contribute 2.3 percent of their salaries to the fund (Mordi et al, 2010). It is also expected to insulate the housing finance system from the fluctuations that had characterized its past reliance on government intervention. This is consistent with the practice in other countries especially, as sustainable housing finance operations require the mobilisation of private sector.

- It is pertinent to note that the promulgation of the National Housing Fund Decree heralded the emergence and establishment of a battery of mortgage finance institutions in Nigeria. Good as the intention of the scheme appear, the technicalities and modalities of releasing the loan to the mortgage institutions to on lend to the members of the public have not been worked out and as such most potential clients have been frustrated by the high interest rate and cost of funding. Most of the mortgage institutions on their own have been mobilizing funds by accepting deposits and savings at very high interest rate in a highly competitive marketing environment. Most customers on the other hand are prepared to wait for the National Housing Fund than take loans at high interest rate which is presently being dictated by the money market condition. Some of the operations of the National Housing Fund under the New National Housing Policy include:
- **Institutional Arrangement:** Loans from the Fund are to be granted to PMIs who are in turn to on-lend to individual borrowers. Thus, the bank cannot directly receive or process applications from individuals (FMBN, 2000).
- **Eligibility:** According to the FMBN Combined Operations Manual (2000), an individual borrower must have been a contributor to the NHF for at least six (6) months, and is required to produce evidence of the income from which the loan is to be serviced. Non-compliance logically negates an application. Hence, the facts should be confirmed by both the PMI and FBMN. On the other hand, for a PMI to be eligible for the Fund, it must have been pre-qualified /accredited by the Bank to participate in NHF loan-making. It further states that a PMI that is in default of repayment to the Fund for a period of three (3) months is to be denied further access to NHF loan. A PMI that misallocates NHF loan funds is liable, in addition to a penalty of 200% of the interest rate differential between the market rate and NHF rate, to suspension from access to the Fund for a period of six months (FMBN, 2000).
- **Affordability:** Not more than one-third (1/3) of the income of the borrower is to be considered for loan repayment. This places a limit on the amount of loan that an individual can borrow; otherwise, the loan may be unaffordable within the definition by the guidelines.
- **Loan Financing Proportion:** The loan to each individual is to be subscribed by the PMI in the ratio of 80:20. This

demands a financial capacity analysis of the PMI; to be sure that it can provide the needed counterpart funds. This would involve an assessment of the savings portfolio to avoid a mismatch of maturities and to ensure its operational soundness.

- **Loan Disbursement:** Loans to finance buildings under construction are to be released in installments to PMI by the Bank and, in turn to individual borrowers by the PMI. However, loans for the purpose of existing buildings are to be released in one sum (FMBN, 2000). THE disbursement plan is to be agreed between both parties, and is better defined in relation to target stages of construction work or proportion disbursed by the PMI to the borrower. In either case, the title documents for the security must be confirmed as having been received by FMBN before the first installment of a loan may be released.
- **Loan Repayment:** Loan repayment by either an individual borrower to the PMI or a PMI to the Fund is over a maximum period of 25 years. Recently, this has been extended to a maximum period of 30 years (FMBN, 2000). Repayment is in monthly installments on annuity (i.e. equal periodic payments to include an element of the principal plus the interest). In practice, the implication is that a loan that is unaffordable over a shorter period requested by an applicant may be checked for affordability over a longer period up to 25years. Besides, the loan repayment amount must be compared to the income proportion that is administssible for loan amortization to determine the affordability.

PROBLEMS OF MORTGAGE FINANCING IN NIGERIA

The statistics given above is worrisome and underscores the existence of some lingering problems, which constrained adequate and efficient credit delivery to the housing sector. They include the following:

- Low Interest Rate on National Housing Fund: The low interest rate level stipulated by law on investment on NHF makes the banks and insurance companies reluctant to invest in the Fund especially, as there are some more profitable investment avenues.
- Low Level of Participation in the NHF: The number of contributors to the NHF has been relatively small compared with the national work force. There are about 9 million workers who are yet to be registered and are therefore not making any contributions. There are also alleged cases of diversion of workers contributions to the fund by employers to other investment purposes.
- Macroeconomic environment: The hitherto high inflation rate negatively affected the macroeconomic environment. There is need to continue to keep the rate of inflation moderate as high inflation rate and structural bottlenecks in the economy do not encourage contribution toward the fund.
- Non-Vibrancy of some PMIs: The loss of focus by some PMIs in favor of non-core activities such as trading as well as the slow disbursement of NHF to the PMIs, made some of them to be competing with the banks in sourcing for funds for purposes other than mortgage financing.
- Cumbersome Legal Regulatory Framework for Land Acquisition: The existence of a cumbersome process of title documentation of land ownership which is reinforced by inadequate cadastral system makes mortgage financing very difficult. This has been seen as one of the factors responsible for slow disbursement of NHF.
- The Structure of Bank Deposit Liabilities: This is preponderantly short term, therefore, the deposit money banks tend to avoid fund mismatch i.e. borrowing short but lending long, which is required in mortgage financing.

The key issue that emerges therefore revolves around how to ensure adequate long term lending by financial institutions rather than the current short term lending practice. This requires significant intermediation efforts, especially, since housing finance is very sensitive to inflationary environment. Another related issue is the inability of the financial institutions to mobilize resources effectively for low-income housing.

STRATEGIES FOR EFFECTIVE RESOURCE MOBILIZATION

The strategies offered in the National Housing Policy are classified into voluntary schemes, mandatory schemes and government budgetary allocations.

- **The Voluntary Schemes**: Include encouraging individuals to save and borrow at low interest rates. Contractual savings schemes as well as Central Bank guidelines will be employed to facilitate the contributions of individuals and commercial/merchant banks respectively.
- **The Mandatory Schemes**: Consist of the National Housing Fund (NHF), schemes for commercial/merchant banks and insurance companies. The N.H.F. will take two and a half per-cent contribution from the monthly salaries of workers earning ₦3,000.00 and above. It will attract 4% interest rate but contributions can be withdrawn as retirement benefit with commercial rate of interest paid when contributors do not use the housing loan facilities. Commercial/Merchant Banks are expected to invest 10% of their loans and advances in FMBN at concessionary interest rates. Insurance companies are also to invest a minimum of 20% of their non-life funds and 40% of their life funds in real estate development; not less than 50% of these allocations must be channeled through FMBN. All these noble aims of Government are presently being hindered by criticisms from Insurance Companies and Banks while the mandatory contribution from employers is trickling into FMBN at small pace thereby making the scheme presently ineffective. This scheme is not working efficiently as expected. For example only 969 out of the 1.8 million contributors have so far applied for loans, while a total of ₦5.8 billion has been collected into the fund since its inception in 1992 to September 2005. Out of the total amount collected, ₦13million has been refunded to 4019 contributors who have attained the age of 60 years or become incapable of continuing their contribution. Only ₦375 million of the total fund of ₦5.8 billion in the kitty have been disbursed through 20 primary mortgage institutions to 631 contributors to enable them buy or build their own houses. Available information also reveals that the supply of credit by the Federal Mortgage Bank of Nigeria is grossly inadequate to meet the growing demand.

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TABLE 1: FEDERAL MORTGAGE BANK OF NIGERIA LOANS & ADVANCES

YEAR	MORTGAGE LOANS DISBURSED TO PMIs (₦M)	VARIATIONS	%CHANGE	BENEFICARIES OF PMIs NHF LOANS	VARIATIONS	% CHANGE
1997	1230912.00	-	-	7	-	-
1998	2,449,600.00	1218688.00	99.00	9	2	28.57
1999	67486981.00	65037381.00	2655.00	94	85	944.
2000	171701643.28	104214662.20	154.40	243	149	158.51
2001	188777437.30	1707594.00	9.95	338	95	39.10
2002	834852069.00	646074631.70	342.24	1619	1281	379.00
2003	12786805.00	-706983464	-84.68	161	-1458	90.05
2004	1460306866.00	1332438261.00	1024.04	1195	1038	642.24
2005	3059043167.31	1598736301.00	109.48	4617	3422	286.36

Sources: (i) FMBN, Loans and Advances Dept. PMIs NHF Loans Status Report, February 2005.

In terms of fund mobilization, the national housing scheme recorded modest achievements as contribution to the scheme increased to over ₦20, 073.0 million by December 1997 while fund disbursed to PMIs amounted to over ₦1.2million, out of which seven beneficiaries were recorded (see Table 1). Mortgage loans disbursed to PMIs continued to increase as well as the number of beneficiaries but there was a decline from 2003 before it increase again in 2005(see Table 1). Mortgage loans granted to estate developers increased from ₦406.5million in 2002 with an output of 454 housing units to ₦5.8billion in 2005 with an average of 8403 housing units throughout the country (see Table 2).

TABLE 2: MORTGAGE BANK OF NIGERIA LOANS & ADVANCES

YEAR	MORTGAGE LOANS FOR ESTATE DEVELOPMENT (₦M)	VARIATIONS	% CHANGE	HOUSING STOCK	VARIATIONS	% CHANGE
2002	406500000.00	-	-	454	-	-
2003	2573988376.00	2167488376.00	533.21	1852	1398	307.93
2004	3335584510.00	761596134.30	29.59	3087	1235	66.68
2005	5892245874.66	2556661364.00	76.65	8403	5316	172.21

Sources: (i) FMBN, Loans and Advances Dept. Estate Developers NHF Loans Status Report, February 2005.

However, available records have shown that most of the beneficiaries the FMBN loans and advances are mostly PMIs from the Northern States like Kano, Kaduna, Abuja, Niger, Nasarawa and some from the Western States of the Country such as Lagos and Ogun. Most PMIs in the South-Eastern States of the country namely: Abia, Anambra, Ebonyi, Enugu and Imo States are not really performing as expected (fig.1). It has also been observed that the major hindrances responsible for this is lack of awareness on the workings of the National Housing Fund Scheme coupled with delays in processing of loan applications and disbursements of approved ones by the Federal Mortgage Bank of Nigeria. Also, the two housing corporations in Imo and Abia States namely Imo Housing Corporation and Abia Housing Corporation are having some serious challenges in land acquisitions because of the land tenure system being practiced here and difficulties in securing mortgage loans from banks. As a result, the two agencies operating in the two States have remained a shadow of themselves in terms of functionality in meeting the housing demands of the people especially the low income earners.

Fig. 1: The map below is Map of Nigeria showing the 36 States and the Federal Capital Territory, with their capital locations indicated by dots.

Source: Magellan Geographix, Santa Barbara, CA.

Moreover, as at end September 2005, FMBN mobilized a total of ₦5.8 billion from 1.8 million contributors to the NHF while it granted ₦375million loans to 631 contributors through 20 PMIs for the construction of houses. Overall, there is evidence of declining activities in housing finance generally. In addition, between 1992 and 2005, the volume of savings and time deposit with the banks and nonblank financial institutions grew by 604.94 percent from ₦54billion to ₦385.2billion. However, the proportion held by the housing finance institutions declined from 1.4 percent to 0.22 per cent in 2005, indicating a fall in the flow of funds into the housing finance sector.

ANALYSIS OF DATA AND DISCUSSION OF RESULTS

Here the researcher adopted primary method of data collection by means of questionnaires. The questionnaire tagged was constructed to get responses from the beneficiaries or customers of the Mortgage Bank, staff of the bank (FMBN), the public sector as well as the private sector in Imo and Abia. From the questionnaires administered there was positive response of two hundred and twenty five (225) out of two hundred and fifty (250) questionnaires representing 90.0% of the total population sampled. Their responses are summarized below.

(1) Do you contribute to the National Housing Fund?

Table 3: Tabulation of responses to Question 1

Choice / Sample Group	Strongly Agreed (SA)	Agreed(A)	Indifference (I)	Disagreed(D)	Strongly Disagreed(SD)	Total
Public Sector	**20**	**35**	**15**	**50**	**30**	**150**
Private Sector	**Nil**	**10**	**10**	**35**	**20**	**75**
Total	**20**	**45**	**25**	**85**	**50**	**225**

Source: computed from field survey 2011

From the table above, we can deduce that 65 (28.9%) agreed that they contribute adequately to the National Housing Scheme (NHF), 135(60.0%) disagreed contributing to it while 25(11.1%) are indifferent. From the sampled group, of the 150 public servants sampled, 20(13.3%) strongly agreed that they contribute adequately to the NHF, 35(23.3%) agreed while 50(33.3%) disagreed and 30(20.0%) strongly disagreed contributing to it with 15(10.0%) indecisive.

However, of the 75 private workers, 10(13.3%) agreed to the statement while 55(73.3%) disagreed with the statement and 10(13.3%) are indifferent.

(2) Does the Banks' lending criteria pose any hindrance to your ability to acquire mortgage finance?

Table 4: Tabulation of responses to Question 2

Choice / Sample Group	Strongly Agreed(SA)	Agreed(A)	Indifference(I)	Disagreed(D)	Strongly Disagreed(SD)	Total
Public Sector	**50**	**65**	**10**	**15**	**10**	**150**
Private Sector	**35**	**20**	**15**	**5**	**nil**	**75**
Total	**85**	**85**	**25**	**20**	**10**	**225**

Source: computed from field survey 2011

From the table above, we can deduce that 170 (75.6%) agreed that the banks' lending criteria is a hindrance to their ability to acquire mortgage finance, 30(13.3%) disagreed with the statement while 25(11.1%) are indifferent. From the sampled group, of the 150 public servants sampled, 50(33.3%) strongly agreed that the banks' lending criteria is a hindrance to their ability to acquire mortgage finance, 65(43.3%) agreed while 15(10.0%) disagreed and 10(6.7%) strongly disagreed contributing to it with 10(6.7%) indecisive. However, of the 75 private workers, 55(73.3%) agreed to the statement while 5(6.7%) disagreed with the statement and 15(20.0%) are indifferent.

(3) Have you finance any of your housing projects through the Federal Mortgage Bank of Nigeria?

Table 5: Tabulation of responses to Question 3

Choice / Sample Group	Strongly Agreed (SA)	Agreed(A)	Indifference(I)	Disagreed(D)	Strongly Disagreed(SD)	Total
Public Sector	**5**	**15**	**10**	**70**	**50**	**150**
PrivateSector	**Nil**	**5**	**10**	**35**	**25**	**75**
Total	**5**	**20**	**20**	**105**	**75**	**225**

Source: computed from field survey 2011

From the table above, we can deduce that 25 (11.1%) agreed that they finance their housing projects through the Federal Mortgage Bank of Nigeria, 180(80.0%) disagreed with the statement while 20(8.9%) are indifferent. From the sampled group, of the 150 public servants sampled, 5(3.3%) strongly agreed that they finance their housing projects through the Federal Mortgage Bank of Nigeria, 15(10.0%) agreed while 70(46.7%) disagreed and 50(33.3%) strongly disagreed financing their mortgage through the Federal Mortgage Bank of Nigeria and 10(6.7%) indecisive. However, of the 75 private workers, 5(6.7%) agreed to the statement while 60(80.0%) disagreed with the statement and 10(13.3%) are indifferent.

(4) Do you think the following factors pose problems in achieving meaningful result in mortgage financing in Nigeria:(a) over population (b) ineffective management

(c) lack of contribution (d) low wage rate

Table 6: Tabulation of responses to Question 4

Choice / Sample group	Strongly Agreed(SA)	Agreed(A)	Indifference(I)	Disagreed(D)	Strongly Disagreed(SD)	Total
Public sector	**32**	**100**	**8**	**10**	**Nil**	**150**
Private sector	**15**	**50**	**5**	**5**	**Nil**	**75**
Total	**47**	**150**	**13**	**15**	**nil**	**225**

Source: computed from field survey 2011

From the table above, we can deduce that 197 (87.6%) agreed that over population, ineffective management, lack of contribution, and low wage rate all pose problems towards achieving meaningful result in mortgage financing in Nigeria, 15(6.7%) disagreed with the statement while 13(5.8%) are indifferent.

From the sampled group, of the 150 public servants sampled, 132(88.0%) agreed that over population, ineffective management, lack of contribution, and low wage rate all pose problems towards achieving meaningful result in mortgage financing in Nigeria, while 10(6.7%) disagreed and 8(5.3%) indecisive. However, of the 75 private workers, 65(86.7%) agreed to the statement while 5(6.7%) disagreed with the statement and 5(6.7%) are indifferent.

CONCLUSIONS

The study makes the following conclusions on the basis of its findings:

- That loans disbursed to real estate through the Housing Fund Scheme by the Federal Mortgage Bank of Nigeria are inadequate to achieve a meaningful growth in urban housing stock in Nigeria.
- That the NHF loan scheme will only be of benefit when workers access loans through it. It goes without saying that in spite of upward adjustment in the minimum wage of Nigerian workers by the current government, the ability of the average worker to single-handedly raise a house of his or her own is seriously constrained.
- A restructuring of the nation's national housing policies to ensure conformity with the desired objectives of making the loans accessible to low- income households in Nigeria must be addressed.
- That delay in processing of loan applications and disbursements of approved ones by the Federal Mortgage Bank of Nigeria (FMBN) can mar the realization of the objectives of Government housing policy.
- That a good housing policy if well administered ought to lead to increased urban housing stock but this has not been the case in Nigeria.

RECOMMENDATIONS

- It is the opinion of the author that the following suggestions if adhered to by all the parties involved would improve the urban housing stock as a means of reducing the living condition of workers and enhancing better economic performance. This is because no nation can achieve meaningful development when its citizens are not well accommodated. Based on the findings so far made by this study, the researcher makes the following recommendations:
- States and Federal Government should be deeply involved in the housing sub-sector by ensuring that the Federal Mortgage Bank of Nigeria (FMBN) discharges its function as a regulator in the housing sub-sector by ensuring that the National housing Fund (NHF) loan applications are processed and disbursed promptly.
- The State Governments should revive the moribund State Housing Corporations to enable them put a good mortgage system in place, otherwise many Imolites and Abians may not be properly housed.
- Government at all levels should adopt policies aimed at making housing habitable, affordable and accessible; develop and support institutional frameworks for facilitating investment in the supply of housing by the private sector.

- There is also need to enhance the accessibility of housing finance systems by prospective individuals and estate developers and encourage them to mobilize resources to meet varying housing demands.
- Both the Primary Mortgage Institutions (PMIs) and Estate Developers should mobilize investment capital for housing and urban development.
- To achieve meaningful development in urban housing stock, Government should continue to subsidize the cost of mass housing provision for the low-income workers.
- The financing of national housing programmes should be viewed primarily as a national responsibility. The private sector should be encouraged to provide the bulk of actual investment funds for housing middle income and upper income groups. For the low income group, however, continued public sector support will be required for housing and community development. Empirical evidence shows that private sector participation in housing is the most assured way to induce stability in the market.
- Indeed, the role of Government should emphasize creating an enabling environment to stimulate private sector participation in long-term housing finance. This includes provision of physical infrastructure, enhancing the soundness and competitiveness of mortgage finance institutions and developing property rights.

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