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The performance of primary mortgage institutions in financing housing development in Abuja and Lagos, Nigeria

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ABSTRACT

Housing development in developing countries in which Nigeria is not an exceptional case is a combination of many interrelated components which include land, infrastructure, building materials, policies, building regulations but more importantly is the finance component. This paper examined the performance of Primary Mortgage Institutions in financing housing development in Abuja and Lagos. It carefully identified the existing PMIs in the study areas, examined the mortgage business activities of the PMIs and the factors militating against effective performance of the PMIs in the study areas. The methodology employed by the research includes the collection of primary and secondary data. Questionnaires were administered to the PMIs existing as at the time of field work in Abuja and Lagos. This was done to collect data that will give a true representation of PMIs activities in the study areas. Among other findings, it was discovered that there is statistical significant relationship between the capital base and loans disbursed for housing development by the PMIs in the study areas. Recommendations were made to improve performance of PMIs for effective housing delivery.

Introduction

Housing development in Nigeria is a combination of many interrelated components which include land, infrastructure, building materials, policies, building regulations and more importantly the finance component, (Agbola,1995). Finance in housing delivery is very important because of the huge financial requirement for housing production, (Omirin, 1998). Demand for housing remains high due to among others, high rates of new household formation especially in a populous country like Nigeria; high rates of urbanization and rural-urban migration, the need to replace dilapidated stock and the popularity of residential real estate as a lucrative area of investment capable of yielding better returns than other class of investment. The housing market remains one of the most dynamic and sustainable areas of investment in the property world. Although these characteristics are well understood and recognized in Nigeria, housing still remains an area where there is an acute shortage due to inadequate access to the basic resources needed especially finance. Presently, the national housing deficit stands above 15million housing units and over 78million Nigerians are either homeless or live in rented sub-standard houses in areas best described as slum (Ajakaiye and Falokun, 2000).

In Nigeria, various housing policies, programmes, strategies were formulated by the Nigerian Government to alleviate the problem so far. Some of these measures include the establishment of the Nigeria Building Society in 1956. The vehicle used for this capital investment was the Common Wealth Development Corporation with advance share capital of 81, 625,000, GB pounds. The society collapsed in early seventies due to its inability to perform its statutory functions. This led to government injecting N20m and changing its name to Federal Mortgage Bank of Nigeria (FMBN). The FMBN took off in 1977, with a takeoff capital of N20 million from the federal government. The FMBN was created essentially to serve as a wholesale and apex housing finance institution in Nigeria under Decree 7 of 1977. The bank has never been able to meet up with demand. The failure of the FMBN over the years and acute shortage of housing led to the promulgation of the National Housing Policy of 1991. The policy of National Housing Fund and the decree of 1992 were promulgated to strengthen housing finance. One of the major achievements of the National Housing Policy is its institutional reform which resulted in the establishment of a two-tier formal housing finance system, the primary mortgage institutions(PMIs) following the promulgation of the Mortgage Institution Decree no. 53 of 1989 to serve as secondary housing finance institutions.

The PMIs were established to give housing mortgage loans for a long lending term and at a low interest rate to Nigerians who wish to build or purchase house as well as large scale private developer who are into building house for sale to popularise homeownership in Nigeria. Twenty three years of establishment of PMIs there is still shortage of housing both in qualitative and quantitative terms not only in the study areas but in Nigeria as a whole. It is against the backdrop that this research study the performance of Primary Mortgage Institutions in financing housing development in Abuja and Lagos with a view of coming out with strategies of making PMIs significant toward increased homeownership in Nigeria.

Statement of problem

One of the major problem facing housing developments in Nigeria is the issue of finance. Finance has been the bane of housing development. Housing development regardless of the scale involves a huge capital outlay, this is because at every stage of construction, money is needed to acquire land, prepare plan, hire labour and purchase various materials and infrastructure to be installed in the house and the actual cost of construction. Though it is the desire and dream of almost everyone to own his or her own house, the means of achieving this is sometimes hampered by lack of sufficient funds. The

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percentage of people committing their own personal funds of life savings to building their own houses is quite low and most often, they are not able to complete the project or may have to scale down on their original plans due to the lack of sufficient funds. This has contributed to the rise in the shortage of housing accommodation.

Statistics have showed that the national housing deficit is above 15million housing units and a minimum of 1million housing units needed to be built annually to record any appreciative improvement on housing delivery. Currently, it is estimated that over 60% of over 140 million Nigerian populations required to be housed while home ownership rate is put at 25% of the total population. This translates to over 78 million people who are either not housed or living in unbefitting places such as slums, market places, motor parks etc. A lot of Nigerians are homeless and greater numbers are living in overcrowded slums, shanties and other sub-standard environment.

Right to housing by every Nigerian has been variously highlighted by the national housing policy (1991). This can majorly be achieved through mortgage finance. To enhance fund mobilization and channelization to housing finance for home ownership by individuals wishing to build or buy their homes and for large scale private builders producing houses for sale, the primary mortgage institutions were established, however twenty three years of their establishment most Nigerians are yet without housing. This shows that primary mortgage institutions a two-tier formal housing finance system have been remiss in its duty. Therefore there is need to address issues in mortgage sector so as to make mortgage institutions functional to housing delivery. It is within this analytical context that this paper examined the mortgage business activities of PMIs in Abuja and Lagos and the factors militating effective performance of Primary mortgage institutions (PMIs) with view of making recommendation on how mortgage institutions could be thrived to increased home ownership and reduce the housing deficit in Nigeria.

Study areas (Abuja and Lagos)

The land of Abuja was the south western part of the ancient kingdom of Zazzau (Zaria). In August 1975 the then Federal Military Government under Late General Murtala Muhammed convened a panel of experts to study, recommend on the desirability of retaining Lagos as the Federal Capital of Nigeria. The panel's recommendation for the setting up of the new Federal Capital City at Abuja was accepted and the Federal Government then promulgated Decree no. 6 of 1976 which created the Federal Capital Territory (FCT), Abuja. Presently in terms of population, the provisional population figure from the 2006 census was a total of 1,405,201. The area coverage is 7,315 km^2 and a density of $192.1/km^2$.

Lagos is the most populous city in Nigeria, the largest country in African with 8,048,430 inhabitants at the 2006 census. The metropolitan area, an estimated $300/km^2$, is a group of islands endowed with creeks and a lagoon. The original settlers of Lagos or Eko as it is called by the indigenous population were of Benin and Awori Eko heritage. The city began in the fifteenth century as a Portuguese trading post exporting ivory, peppers and slaves. Lagos is currently estimated to be the second faster growing city in African (7^{th} fasted in the world), following Bamako and remains to be the commercial and industrial hub of Nigeria, with a GNP triple that of any other West African country.

Aim and objectives

The aim of this paper is to study the performance of PMIs in financing housing development in Abuja and Lagos. To achieve this aim, the following objectives are set:

i. To identify existing primary mortgage institutions (PMIs) in the study areas.

ii. To examine the mortgage business activities of PMIs in the study areas.

iii. To identify the factors militating against performance of the PMIs in the study areas for effective housing delivery.

Review of literature

Mortgage

A mortgage of land is a transfer of an interest in land as security for a debt (Onyike, 2011). It is a contract which puts up a specific property as collateral to ensure the repayment of a debt. The creditor, lender of the money to whom the mortgage is granted, is called the mortgagee while the debtor or borrower is called mortgagor. The mortgage enables the mortgagee, in event of the mortgagor being of the mortgagor being unable or unwilling to pay off the debt, to enforce the debt against the mortgaged property, for example by selling it and recouping what he is owed. This remedy which is available to the mortgagee is known as foreclosure. Foreclosure is, however, subject to the mortgagor's equitable right of redemption. At the expiration of the contractual (or legal) date for redemption, equity confers on the mortgagor his "equitable of redemption" which gives him the right to redeem the mortgage anytime thereafter, until the property is legally foreclosed. A mortgage loan is a non-recourse loan if, in the event that the amount realised on the sale of a foreclosed property is less than the amount owed, the lender is precluded from claiming the difference from the mortgagor. Not all the mortgage loans are non-recourse.

Provisions of mortgage for the repayment of the debt, principal plus interest, vary considerably giving rise to the various types of mortgages on offer today (Onyike, 2011). They include; (1) fixed instalment mortgage, which is the conventional type of mortgage, whereby the sum is repaid over the years by monthly instalment of capital and interest: (2) standing mortgage which provides for the complete payment of the principal in one lump sum at the end of the mortgage period. The interest is paid at regular interval during the tenor or accumulated for payment at the end of the mortgage period: and (3) fixed periodic payment mortgage whereby fixed periodic repayment of instalments of the borrowed amount along with a proportion of the interest on the outstanding amount.

Many Nigerians are poor and cannot afford acceptable collateral for securing bank loans. Some others are hindered by illiteracy and lack of information. They are therefore presently excluded from the conventional mortgage market and must seek informal sources of funds to address their housing needs. Unfortunately, the informal sources are so limited in scope that they make insignificant impact on the provision of housing in Nigeria. There is need therefore to develop a viable mortgage system that can make housing loans available to many Nigerians including the poor, under a system tailored to suit their circumstances.

Mortgage market

A fully developed mortgage market consists of the primary and secondary mortgage sub-markets, (Onyike, 2010). A borrower approaches the lending institution for loan using his real property as collateral to secure the loan. Satisfied with collateral the lender grants the loan and enters into a mortgage contracts with the borrower who covenants to pay the debt as agreed failing which the lender will take over or sell the property to recover his money. This segment of the mortgage industry in which the borrowers and mortgage originators come together to negotiate terms and effect mortgage transactions constitutes the primary mortgage markets. The borrower, and the primary mortgage institutions (PMIs), commercial banks, mortgage brokers and mortgage bankers, who originate the mortgage loans, constitute the primary mortgage market.

The secondary mortgage market, on the other hand, is the other segment of the mortgage market in which most existing mortgages are traded and sold. Two of the most dynamic innovations in mortgage lending have been the growth of the secondary mortgage market and the related transformation of mortgages into instruments similar to traditional corporate bonds (Maisel,1987). Standardisation of the mortgage instrument is a key factor in the development of the secondary mortgage markets. Mortgages with similar characteristics are pooled to facilitate larger pool sizes which can be sold and securitised. It is important that the characteristics (e.g terms, rate adjustment, and amortisation schedule) of each pool of mortgages are uniform because it will reduce the transaction costs of evaluating mortgage loans and processing costs of issuing and administering mortgage – backed securities (Ojo, 2009). The mortgages originated in the primary market can be sold in the secondary markets in three ways, namely:

i. directly to final investors;
ii sold to dealers or through brokers; or
iii securitised into mortgage – backed securities(MBS) by appropriate agencies and sold in the secondary market.

Mortgage – backed securities (MBS) are securities – a bond, a note, or a certificate, issued against and collateralized by a pool of mortgages usually held by an independent custodian or trustee (Maisel,1987). MBS are thus debt obligations that represent claims to the cash flow pools of the mortgage loans repayments.

The lenders use the money they realise from these sales to continue to fund new mortgages. Mortgage – backed securities (MBS) and collateralized mortgage obligations (CMO) are an increasingly popular and important class of financial instruments. The MBS market, which in the USA amounted to almost $2tillion and in 2000, is one of the fastest growing, as well as one of the largest financial markets in the United States. To facilitate the flow of mortgage capital and to make it easier for potential home buyers to obtain mortgages, the U.S. government created three housing finance agencies – Government National Mortgage association (GNMA) or 'Ginnie Mae' Federal National Mortgage Association (FNMA) or "fannie Mae", and Federal Home Loan Mortgage Corporation (FHLMC) or Freddie Mac" – to develop this secondary mortgage market. These agencies support the secondary market by issuing MBS in exchange for pools of mortgages from lenders, in a process known as mortgage securitisation. MBSs provide lenders with a liquid asset that they can hold or sell. This ensures that lenders have funds to make additional loans. In Nigeria, the Federal Mortgage Bank of Nigeria is expected to perform a similar role when the secondary mortgage market becomes fully functional in Nigeria.

The success of the secondary market in the United States of America has led both private and public sector officials in many countries to recommend its creation as a way of enhancing the flow of funds to housing. However, what is often overlooked in such discussions is the readiness of the primary market. True and sustainable secondary market development cannot proceed unless and until the primary market is able to produce a sufficient volume of high quality mortgages that meet the servicing and performance requirements of investors (Lea,2000). In order to develop her mortgage banking industry, Nigeria needs to develop a viable secondary mortgage market.

Source of fund for housing development

The cost of housing is usually influenced by the nature and sources of funds, as well as the method of funding. The type of funds needed for housing development and investment is dictated by the time duration for which they are needed and the degree of risk involved, the former determining the possible sources and method of funding and the latter determining the best economic returns (Onyike,2010a). In consonance with the present level of development, Jone and Datta (1999) classified the sources of housing finance in Nigeria into traditional and conventional sources. The informal or traditional sources include personal savings, esusu, extended family associations, age grade associations, town unions, revolving loans, credit association. Funds from the above sources however are mainly for small and basic housing referred by Jone and Datta, (1999) as "self help" housing.

Over the years, the sources of funds have expanded from the individual and group savings to the financial institutions, government and the capital market. Basically, there are two kinds of finance refers to money or capital borrowed to fund a project, while equity finance refers to money or capital put up from the investor's own internal sources such as savings and own assets. Invariably, debt finance is very important in the development of adequate housing because for most people equity finance will be very limited and inadequate to fund the development of adequate housing to completion. Debt finance can come in the form of short term, medium term, or long term funds. Long term fund are the most suitable for the acquisition and development of real property. It is the system which guarantees relatively cheap source of long term funds that will encourage ownership of housing and thereby help in the alleviation of poverty; hence the need for viably mortgage system.

Unfortunately, the mortgage industry in Nigeria is still at the rudimentary stage. Individuals and corporate organisations need loans which can be obtained on the security of real property, under recourse or non-recourse conditions. Loans granted on the security of real property are known as mortgage loans. The whole system which makes the loans available, and provides the institutions and markets within which the loans are processed and accessed, and also the participants in the provisions, facilitation, supply and consumption of these loans constitutes the mortgage banking system. By extension, the mortgage system also includes the people who supply the properties for which loans are raised. The growth and development of this important industry depend, among other things, on the professionals who operate within it. They include the bankers, accountants, mortgage brokers, estate surveyors and valuers, investment analysts, stockbrokers, lawyers, architects, quantity surveyors, builders and developers.

The performance of mortgage industry in Nigeria

The mortgage industry in Nigeria embraces the Federal mortgage Bank of Nigeria (FMBN), the primary mortgage institutions (PMIs), the housing corporations, commercial banks, merchant banks, insurance companies, microfinance banks, real estate companies and firms, developers, and the various end users of real estate, which constitute the key players in the demand, funding and supply of real estate, including housing (Onyike,2010).

The FMBN is the pivot of the mortgage industry in Nigeria (Onyike,2007). The Mortgage institutions Decree No. 53 of 1989 restructured the housing finance system into a two-tier system with the FMBN at the apex and the primary mortgage institutions at the second tier. This second tier has been reinforced recently with the inclusion of other financial institutions as mortgage originators for the purpose of the National Housing Fund (NHF) scheme. The functions of the FMBN include the provision of credit to mortgage institutions at rate and terms determined by the FMBN board, guaranteeing of loan stocks that may be floated by the PMIs, and the management of the National Housing Fund (Federal Mortgage Bank of Nigeria Decree No. 7 of 1977, Mortgage Institutions Decree No.53 of 1989, the National Housing Fund Decree No.3 of 1989, and the National housing Fund Decree No.3 of 1992). Recent policy changes approved by the FMBN Board included other financial institutions as mortgage originators for on-lending of NHF loans (Uwaegbulam,2010). The new vision of the FMBN is to operate as a dynamic secondary mortgage institution that meets the financial needs of Nigeria's "emerging" mortgage industry, with the mission to supply the mortgage markets with sustainable liquidity for the advancement of homeownership among Nigerians anchored on mortgage financing.

The mortgage industry in Nigeria is undeveloped, as stated in the introduction above. The mortgage industry in Nigeria can only develop when there is a viable secondary mortgage market, supported by appropriate legal and regulatory framework. It is pertinent to mention that a well-developed mortgage banking industry in Nigeria will not only enhance housing affordability and property investment but also help to reduce corruption and stealing of public funds since the ready availability of mortgage loans, with repayment stretched over several years, will reduce the pressure to fund one's property acquisition, especially housing, entirely (i.e 100%) from personal savings

Methodology

Principal data were derived from field survey and Questionnaire administered to all the operating PMIs in the study areas to achieve the collection of data that will give true representation of PMIs performance in the study areas. A reconnaissance survey was carried out to identify the operating PMIs in the study areas, their location and level of their patronage by the public with the aim of assessing their performance in the study areas. This was followed by administration of questionnaire to the identified operating PMIs. Questionnaires were administered to PMIs in the study areas to collect data on their mortgage business activities and the factors militating against their performance of the PMIs for effective housing development financing. A total of fifty (50) questionnaires were administered to the PMIs in the study areas. The study adopted an analytical frame work which employed descriptive statistics to analyze the stated objectives. Frequency counters converted into percentages, Pearson Product Moment Correlation and 5points likert scaling were used to analyze aspects of the research work and are shown in form of tables. Secondary data were further derived from journals on housing finance and supplemented by textbooks, seminar papers and other relevant literature.

Results

Primary Mortgage Institutions in the study areas

Table 1: Total number of existing PMIs in Abuja and Lagos

Location	Number of PMIs
Abuja	7
Lagos	43
Total	**50**

Source: Author's field survey, 2011

Table 1 shows the existing PMIs in the study areas. The research revealed that there are seven (7) and forty-three (43) PMIs offices existing in Abuja and Lagos respectively as at the period of study.

Mortgage business activities of Primary Mortgage Institutions in the study areas

Table 2: Period of processing mortgage loans application

Period of processing loan	Abuja		Lagos	
	Frequency	Percent	Frequency	Percent
< 3months	0	0	0	0
3-6months	1	14.3	1	2.3
7-12months	2	28.6	4	9.3
Above 12months	4	57.1	38	88.4
Total	**7**	**100**	**43**	**100**

Source: Author's field survey, 2011

Table 2 shows the period taken in processing mortgage loans application by the PMIs in the study areas. The study revealed that none of the PMIs in Abuja and Lagos indicated less than 3months in processing mortgage loans application in their offices as showed above. Only 14.3% and 2.3% of the PMIs in Abuja and Lagos respectively indicated between 3-6months in processing mortgage loans application, 28.6% and 9.3% of the PMIs in Abuja and Lagos respectively indicated between 7-12months in processing mortgage loans application, while 57.1% and 88.4% of the PMIs in Abuja and Lagos respectively indicated above 12months in processing mortgage loans application.

Table 3: System used to market products and services to the public

	Abuja		Lagos	
System of marketing products & services	**Freq**	**Percent**	**Freq**	**Percent**
Introduction to customer as they enter their office for enquiries.	7	100.0	43	100.0
Use of internet	2	2.9	8	18.6
Use of electronic media advertisement	4	57.1	15	34.9
Use of newspaper	1	14.3	10	23.3
Use of advertisement in prints	3	42.9	25	58.1

Source: Author's field survey, 2011

Table 3 shows the system used by the PMIs in the study areas to market their products and services to the public. The research showed that all the PMIs in Abuja and Lagos market their products and services by introduction to individuals as they come to their offices for enquiries, this is showed in the table above. 2.9% and 18.9% of the PMIs in Abuja and Lagos respectively make use of the internet to market their products and services, 57.1% and 34.9% of the PMIs in Abuja and Lagos respectively use electronic media advertisement to market their products and services, 14.3% and 23.3% of the PMIs in Abuja and Lagos respectively make use of newspapers use to market their products and services, 42.9% and 58.1% of the PMIs in Abuja and Lagos respectively make use of advertisement in prints to market their products and services to the public.

Table 4: Price range of housing developed by the PMIs for sales

	Abuja		Lagos	
Price	**Frequency**	**Percent**	**Frequency**	**Percent**
Below 2 million	0	0	0	0
2-5million	1	14.3	3	7
6-10million	3	42.9	29	67.4
11-15million	2	28.6	10	23.3
Above 15million	1	14.3	1	2.3
Total	**7**	**100**	**43**	**100**

Source: Author's field survey, 2011

Table 4 shows the price range of housing developed for sales by the PMIs in the study areas. The research revealed that none of the PMIs in Abuja and Lagos indicated below 2million of the housing developed for sales as showed above. 14.3% and 7.0% of the PMIs in Abuja and Lagos indicated between 2-5million, 42.9% and 67.4% of the PMIs in Abuja and Lagos respectively indicated between 6-10million, 28.6% and 23.3% of the PMIs in Abuja and Lagos respectively indicated between 11-15million. Only 14.3% and 2.3% of the PMIs in Abuja and Lagos respectively indicated above 15million for the housing developed for sales.

The capital base and average loans disbursed by the Primary Mortgage Institutions in Abuja and Lagos from (2001-2010)

The relationship between the capital base and loans disbursed by the Primary Mortgage Institutions in the study areas was determined by statistically testing the following hypothesis using Pearson Product Moment Correlation.

Hypothesis

H_0 There is no statistically significant relationship between the capital base and loans disbursed by the PMIs for housing development financing in Abuja and Lagos.

H_1 There is a statistically significant relationship between the capital base and loans disbursed by the PMIs for housing development financing in Abuja and Lagos.

The null hypothesis denoted by H_0 will be accepted if on testing, the calculated correlation coefficient is less than the critical or tabulated correlation coefficient. In the same vein, the alternate hypothesis denoted by H_1 will be accepted if on testing, the calculated value exceeds the tabulated or critical value. The acceptance of any of the hypothesis implies rejecting the other.

Table 5: The average capital base and average loans disbursed by the Primary Mortgage Institutions in Abuja and Lagos from (2001-2010)

Year	Average Capital Base (x) N'Million	Average Loans Disbursed (y) N'Million
2002	125.85	86.95
2003	35.57	169.87
2004	23.71	79.04
2005	25.03	27.67
2006	165.58	99.59
2007	368.77	536.92
2008	647.89	1429.66
2009	769.19	1562.12
2010	821.79	1750.35
Total	**3002.15**	**5755.67**

Source: Author's field survey, 2011

Correlation Coefficient (r) = 0.795

Level of Significance = 0.05

Degree of freedom = 8

Critical / Tabulated Value of r = 0.632

Decision:

Since the calculated correlation coefficient exceeds the critical / tabulated correlation coefficient, the alternative hypothesis is accepted while the null hypothesis is rejected. This implies that there is a statistically significant relationship between the capital base and loans disbursed by the PMIs for housing development financing in Abuja and Lagos.

Factors militating against performance of PMIs for effective housing delivery in the study areas

It was observed that a number of problems tend to hinder the effective performance of PMIs in the study areas. The consensus opinions of respondents were arrived at after ranking various options and computing their mean values accordingly. These are presented in the following tables. Table 7 shows the responses from the PMIs in Likert scaling. Here, the opinions of the PMIs were assigned weights as follows: Strongly Agreed = 5 points, Agreed = 4 points, Undecided = 3 points, Disagree = 2 points, Strongly Disagree = 1 point. These weights were multiplied by the number of respondents in each category (from table 6) and summed up accordingly. Table 8 shows the consensus opinion of PMIs in the study areas on factors militating against effective performance toward housing financing. Here, the mean values were computed by dividing the sum by the number of respondents. The interpretation was gotten from the key.

KEY

4.5-5.0 Strongly Agree

3.3-4.49 Agree

2.5-3.49 Average

1.5-2.49 Disagree

1.0-1.49 Strongly Disagree

Recommendations:

Based on the above findings, it is recommended that:

i. There is need for Central bank of Nigeria (CBN) to give directive to the PMIs to increase their capital base. The sum of 100million as a capital base is too small to serve a population of over 140billion in order to record an appreciable improvement in the national housing deficit and increase homeownership in Nigeria.

ii. There is need for the PMIs to create branches to cater for the user of their services as well as improving in the system of marketing their products and services so as to improve awareness by the general public. The use of agents can be employed by the PMIs, specifically targeted towards special interest groups such as co-operatives, staff associations etc. At federal, state and local government level as well as trade unions.

iii. There is need for Government to source for cheap funds for housing human settlements and infrastructure finance and allow the PMIs to be the beneficiaries of such funds. One of the ways this could be done is through the creation of additional avenues to the NHF source, this will provide cheap pool of fund for the PMIs.

iv. There is need for Nigerian Government to review Land use act that put land in urban areas in the hand of state government to enable people to register their land and have access to certificate of occupancy as a source of obtaining finance from PMIs.

Conclusion

This paper carefully examined the performance of primary mortgage institutions (PMIs) in financing housing development in Abuja and Lagos. It identified the existing PMIs in the study areas, examined the mortgage business activities of the PMIs in the study areas and lastly identified the factors militating against performance of PMIs for effective housing delivery. The research revealed that, the PMIs in the study areas constitute a significant proportion of PMIs in Nigeria and there is statistical significant relationship between the capital base and loans disbursed for housing development by the PMIs in the study areas, which means increase in capital base will bring about increase in loans disbursed for housing development, therefore there is need for them to increase their capital base. Though there are several factors militating against performance of PMIs in the study areas for effective housing delivery as clearly identified in the paper, if recommendations given by this research work is adhered to by the PMIs, their performance will be improved and present effort of reducing the national housing deficit and increased home ownership to the populace would be achieved.

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Table 6: Responses from the sampled PMIs expressed in percentage

Opinion	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree	Total
There is insufficient fund by the PMIs for effective housing delivery.	30 (60%)	12 (24%)	5 (10%)	2 (4%)	1 (2%)	50 100%
Long period of processing collateral security (Certificate of occupancy) delays getting mortgage loans from the PMIs.	27 (54%)	20 (40%)	0 (0%)	2 (4%)	1 (2%)	50 (100%)
High cost of building materials and high labour cost makes provision of housing unit by the PMIs unaffordable to the targeted beneficiary.	33 (66%)	10 (20%)	3 (6%)	4 (8%)	0 (0%)	50 (100%)
High interest rate charge on non-real estate loans hinder increase in housing stock mechanism.	34 (68%)	13 (26%)	0 (0%)	2 (4%)	1 (2%)	50 (100%)
Poor system of advertisement and non-branches by most of the PMIs makes their awareness low to the public.	23 (46%)	22 (44%)	2 (4%)	2 (4%)	1 (2%)	50 100%)

Source: Author's field survey, 2011

Table 7: Sum of Responses of PMIs in Likert scaling

Opinion	Strongly Agree (X5)	Agree (X4)	Undecided (X3)	Disagree (X2)	Strongly disagree (X1)	Total
There is insufficient fund by the PMIs for effective housing delivery.	150	48	15	4	1	218
Long period of processing collateral security (Certificate of occupancy) delays getting mortgage loans from the PMIs.	135	80	0	4	1	220
High cost of building materials and high labour cost makes provision of housing unit by the PMIs unaffordable to the targeted beneficiary.	165	40	9	8	0	222
High interest rate charge on non-real estate loans hinder increase in housing stock mechanism.	170	52	0	4	1	227
Poor system of advertisement and non-branches by most of the PMIs makes their awareness low to the public.	115	88	6	4	1	214

Source: Author's field survey, 2011

Table 8: Consensus Opinion of the PMIs

Opinion	**Sum**	**Mean**	**Consensus opinion**
There is insufficient fund by the PMIs for effective housing delivery.	218	4.36	Strongly Agree
Long period of processing collateral security (Certificate of occupancy) delays getting mortgage loans from the PMIs.	220	4.40	Strongly Agree
High cost of building materials and high labour cost makes provision of housing unit by the PMIs unaffordable to the targeted beneficiary.	222	4.44	Strongly Agree
High interest rate charge on non-real estate loans hinder increase in housing stock mechanism.	227	4.54	Strongly Agree
Poor system of advertisement and non-branches by most of the PMIs makes their awareness low to the public	214	4.28	Agree

Source: Author's field survey, 2011

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