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The Maiden Issue of the Journal

This is the maiden edition of the Environmental Spectrum Journal and comprises of 13 research articles. These articles cover the various spectrum of the professions in the built environment. The articles contained in this journal are listed in the table of contents.

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General information for preparing manuscripts

Format of articles

The Environmental Spectrum Journal (ESJ) is a bi-annual journal published by the Faculty of Environmental Sciences, University of Ilorin.

Title

The title should be written at the top of the page in title case, 16 point bold, Times New Roman and centered. The title should be brief without abbreviations and where possible, be a statement of the main result or conclusion presented in the manuscript.

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Introduction;
Literature Review;
Research Methods;
Data Analysis;
Discussion of results;
Conclusion and;
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Tables should be located close to the first reference to table in the text and should be numbered in Arabic numerals in the order in which they appear in the article. Table heading should be left aligned single line spacing on top of the table, initial cap.

ASSESSMENT OF MORTGAGE FINANCE EFFECTIVENESS TO REAL ESTATE DEVELOPMENT IN LAGOS METROPOLIS, NIGERIA

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ABSTRACT

Mortgage finance constitutes one of the major pillars of the housing delivery system. Indeed, without a well-organized and efficient housing finance mechanism, the goal of a housing development policy will be largely unattainable. While efforts have been made in the literature to discuss the housing and the importance of housing and its finance as a vital component of the national economy, less focus was on the assessment of the current mortgage finance in term of its effectiveness. The focus of this study is therefore to assess the effectiveness of mortgage financing vibrancy, vitality as well as its operational strength on the housing finance system in the Metropolitan Lagos. Hence, it is against this background that well-structured questionnaires were administered on officials and customers of some Primary Mortgage Institutions and regulators of mortgage financial sector within the metropolitan Lagos. Personal interviews were also conducted on some mortgage loan applicants, whose applications are yet to be approved. Out of 160 questionnaires that were distributed, 115 (representing 72% response rate) were retrieved, which formed the basis of analysis for this study. Likert scale measurement as well as descriptive and inferential statistical tools was adopted. The results showed amongst other things that Nigeria's mortgage system is underdeveloped and ill-equipped to mobilise and channel saving to housing sector, as major sources of housing finance in Nigeria is still majorly generated through alternative means of housing financing, this is because mortgage institutions are bedevilled with shortage of loan-able funds due to low contribution to the fund. Only 11.2% of applications for a mortgage loan were approved. Amongst other suggestions made for an improved and effective mortgage system is the review of enabling laws and overhauling of mechanisms for continuous flow of funds to be guaranteed, as well as momentous restructuring of the mortgage finance system to sufficiently tackle the enormity of finance shortage being experienced in Nigeria's housing sector, especially in the urban milieu.

Keywords: *Effectiveness, Development financing, Housing, Mortgage system, PMIs.*

1.0 INTRODUCTION

For any nation, the performance of the housing sector is often the barometer by which the health or ill-health of the nation is measured or determined, therefore, housing is a set of durable assets, which account for a higher proportion of a country's wealth and on which households spends a substantial part of their income.

The problem of housing in Nigeria is enormous and complex, exhibiting apparent and pronounced regional differences. In most of Nigerian urban centres, the problem is not restricted to quantity, but also the poor quality of existing housing units and the environment. According to Yahaya (1992), the housing situation in Africa reveals that there is a serious deficiency in the stock of housing in all African countries, especially in the middle and lower income brackets and the majority of African urban dwellers cannot afford housing that conforms to acceptable standards due to lack of access to basic inputs such as land, construction equipment and building materials and especially finance.

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Finance is the most important hindrance to housing and real estate development (Baridoma & Ekenta, 2013) and it naturally plays a fundamental role in housing provision because of its universal application in the procurement of land, construction equipment and building materials as well as for hiring skills. Thus, a huge sum of capital outlay is needed for the procurement of all resources needed for the erection of a house (Oloyede, 2005).

Finance constitutes a fundamental issue on which the success of housing delivery relied and it has been established in the literature that inadequate funding is at the root of housing delivery in Nigeria (Ominrin, 2006; Nubi, 2006; Bello & Bello, 2006). Mortgage finance is the basis on which housing finance systems in developed countries survive and without a well organised and efficient mortgage finance system, it is difficult, if not impossible, to mobilise substantial finance for channelling into the housing sector.

Mortgage the act of using a property as security for borrowing so as to purchase or develop a property has peculiarity with housing in that, relative to the income of the average family, housing is a capital-intensive commodity which can hardly be financed from personal savings. Hence, the need for a supplementary source of finance popularly referred to as 'Mortgage finance' (Oloyede, 2005).

Recognising this fact, the Federal Government of Nigeria established the Federal Mortgage Bank of Nigeria in 1977 with funding for housing solely by the Federal Government. PMIs were conceived as retail mortgage institutions operating under regulatory and operational supervision of the Federal Mortgage Bank as the apex from which they could also source fund for on-lending.

Bello & Bello (2006) discussed the roles played by primary mortgage institutions (PMIs) in making houses accessible and available to Nigerians by examining the problems, relevance and the prospects of the PMIs in Nigerian housing reform programmes, at the other side, Omirin (2006) observed that the performance of these PMIs has been abysmally low in terms of the number of housing units actually produced through their financial assistance. Majority (approximately 60%) of PMIs in Nigeria are however located in Lagos and they are as well limited liability companies (Nubi, 2006) but despite this fact, does this translate to the effectiveness of mortgage financing approach to housing construction in Lagos?

Supplimentary questions agitating the research minds in this regard include: how was savings contribution mobilised and collected by the National Housing Fund (NHF)? Is there any correlation between the rate of growth of PMIs and the number of mortgage beneficiaries? What is the rate of saving contribution to the loan application? Is mortgage financing through NHF more effective than any other forms of housing financing? How do mortgage applicants assess the performance of NHF?

It is in light of this that this research attempts to inquire into the effectiveness of the mortgage financing efforts of the PMIs in Lagos metropolis, a city dominated by a majority of the PMIs in Nigeria. This is with the view to restructuring the current mortgage financing policy towards reducing the problems of real estate financing, improving the performance of the housing development and ensuring the sustainable housing development projects in Lagos, Nigeria. To achieve the aim of this work, the paper has been structured into 6 sections. Next section is a survey of literature followed by the third section devoted to the research methods. The results of the research as well as its discussion is contained in the fourth section, fifth section concluded the work while the recommendations were taken in the last section.

2.0 LITERATURE REVIEW

A mortgage is a contract which puts up a specific property as a collateral to secure the repayment of a debt (Onyike, 2011). A well-developed mortgage system will be an appropriate solution to accessibility of funds to develop housing by majority of Nigerians, especially the low and middle-income earners. The National Housing Policy of 2004 as noted that the mortgage system in Nigeria is grossly inadequate and underdeveloped.

The ease with which the complexities of mortgage financing transactions are carried out determine the level of effectiveness of mortgage financing institutions because both lenders and borrowers need assistances from various professionals in analyzing the mortgage market in various locations and periods, long term investment decisions based on the local and international economy and sourcing for finance with its attendant changing interest rates. The implications of this is that all these factors limit transactions in housing to few buyers and sellers as well as few lenders and borrowers and its impact on the performance of mortgage financing institutions depends on the policy and structure of a country (Oloyede, 2005).

Olaleye and Adegoke (2007) examined the ways by which the performances of Nigerian past policies on mortgage finance impact on the development of the housing sector and how the nation's economy can be improved upon. This was achieved thorough examination of historical antecedents (pre 1977 and 2007) of the past policies with ultimate goal of enhancing virile mortgage finance market in Nigeria.

The new vision of the Federal Mortgage Bank of Nigeria is to operate as a dynamic secondary mortgage institution that meets the financing needs of Nigeria's' emerging' mortgage industry, with the mission to supply the mortgage markets with sustainable liquidity for the advancement of home ownership among Nigerians anchored on mortgage financing (Onyike, 2011).

Eboh (2008), comparing the mortgage loans with the gross domestic product of countries economies, documented that in 2005, Africa countries like Nigeria had the least of mortgage loans of 0.12% of the GDP, as against Ghana and South Africa of 3% and 20% respectively. Beyond Africa in the same 2005, The Financial System Strategy 2020 (2008) documented that Malaysia figure was 33%, Hong Kong 50%, Singapore 61%, USA 77% and U.K 80%.

Olawunmi (2008) examined the role of financial institutions in property development finance in Lagos state with a view to reducing the problems of real estate financing and ensuring the sustainable development projects. The research findings suggest that banks engage mainly in short and medium term loans, both which considered to be inadequate for property development because both require a long term funding and long liquidity of banks' capital is a major hindrance to property development. The evolvement of steady flow of long-term funds by central bank to the banks was suggested for effective property development in Lagos state.

Baridoma & Ekenta (2013) looked at the activities and as well assessed the challenges confronting the operations of the Federal Mortgage Bank of Nigeria with a view to promoting property development in Nigeria. The study found out that the loan application to landed property was only 20% of the total loan granted and that the challenges confronting the FMBN include poor implementation of the National Housing Policy, high cost of building materials, public disregard, lack of easy access to land, high rate of interest and the poor economic climate. The study recommended among others that there should be collaboration between the Government and the private sectors for an improved and sustainable access to mortgage financing in Nigeria.

Atilola et al (2015) examined the reasons for mortgage default in Nigeria and found out that commercial banks declare their borrowers as defaulters after missing 2 repayments while the Primary Mortgage Institutions (PMIs) declare their borrowers as defaulters after missing 3 repayments. Their study further indicated the factors responsible for default as net income to repayment, credit history, interest rates and mortgage charges at the side of commercial banks, but net income to repayment, credit history and loan duration are the factors responsible for default at the side of the PMIs. The relationship of poverty level in Nigeria with the housing situation, the nature of mortgage and mortgage industry in Nigeria and problem faced by this industry was the focus of the work of Onyike (2011). This was undertaken with a view to developing a mortgage system that will be viable and help in poverty alleviation and economic empowerment in Nigeria. The findings of this work indicated that the chances of an average Nigerian to secure funds for property acquisition have been limited due to the low availability/high cost of credit coupled with the absence of an effective mortgage system that can provide an affordable long-term funding.

Megbolugbe and Cho (1993) carried out an empirical analysis of metropolitan housing and mortgage markets in Washington and provide the result analysed mortgage lending patterns or various policies - relevant geographic areas and borrower groups. The work represents sound analytic information for evaluating policy and programme options that can enhance equal, fair and affordable access to mortgage credit by all segments of the home buyer population and its effects on the performance of the mortgage institution.

Dutchy et al (1990), characterizes the indicators of effectiveness of mortgage housing finance approach in another context as a 'public sector surrogate for the information generated elsewhere in the market system'. Inherent in this concept as accountability measures is a sense of expectation of what mortgage financing institutions are expected to do, how they do it and how efficiently and effectively they function. However, each mortgage financing institution providing residential houses for people has consistently had to contend with ill-defined, often inconsistent expectations of the society that varies according to the status and taste of the beneficiaries in mind. Even within the country and among the various income groups, and among the categories of anticipated beneficiaries served by these mortgage-financial institutions, in the diverse constituencies, there is considerable ambiguity about the effectiveness of mortgage financing institutions.

According to Steinherr (1996), each form of financial structure has its advantages and disadvantages of satisfying the objectives of efficiency and stability in the financial system. Yumming (2000) however, is of the opinion that two major criteria, outreach code sustainability should be selected for evaluating the effectiveness of mortgage financing institutions. Indications for outreach performance include changes in the number of clients, total value of assets, the amount of savings on deposits, and the value of the outstanding loan portfolio, average deposit-savings side, the average credit size and number of branch offices.

Abiodun (1999) identifies two factors that contributed to the dismal performance record of the Federal Mortgage Bank of Nigeria as want of information by most savings' contributors who were willing prospective borrowers and stringent conditions stipulated by the Federal Mortgage Bank of Nigeria for obtaining National Housing Fund loan. The author based his findings on observations from the borrowers' point of view without balancing it with that from lenders and/or the Apex Bank. This work as well of others are more of theory because empirical studies would have identified the importance of sustainability of a

policy and an organization as well as customer satisfaction as the two key factors in assessing the performance of any policy or an organization.

While these and most of other studies focus on the roles of the agencies in housing provision and financing, they did not delve into the empirical effectiveness of their mortgage financing institutions as they relate to meeting the expectations of potential loan borrowers and this forms part of the essence of this work.

3.0   RESEARCH METHODS

The study considered Lagos as its case study due to the challenges of housing situation therein and the location of majority of PMIs therein. Secondary data were gathered from the Federal Mortgage Bank and this was complemented with the primary data collection from PMIs officials on one side and the mortgage loan applicants on the other side. The officials of PMIs who are the operators of the mortgage transaction were the target population for the required responses for primary data, they are the ones through which collated funds from contributions from government and private sector workers are being channelled through the overall coordination by the FMBN, finally to the targeted beneficiaries.

Hence, 80 questionnaires were distributed to the officials of 10 randomly selected primary Mortgage Institutions within the Lagos Metropolis, using purposive sampling technique. A further data gathering exercise was conducted on the second category of targeted respondents, i.e. the beneficiaries and new mortgage loan applicants, through convenience sampling, as the researchers considers the interest and psychological map of the respondents towards divulging information about their mortgage status, 80 questionnaires were also distributed to this category of respondents. It is the combination of these two sides distribution methods that produced the overall retrieved questionnaires which were 115, out of a total of 160 questionnaires distributed, representing 72% response rate.

4.0 RESULTS AND DISCUSSIONS

Two modes were adopted for the analysis of data for this work; first, the analysis of secondary data to lay foundation for the primary data (Tables 1-7) and second the analysis of primary data, based on the established foundation from secondary data (Tables 8-11).

4.1 COLLECTION AND MOBILISATION OF SAVINGS

Table 1 provides a better clarity on the performance of the Apex Bank in the area of collection and mobilisation of savings contributions to the fund, as it captures the appalling contribution of employees of labour in which the low contribution to the national housing fund by the Metropolitan Lagos is attributable to the cultural belief or attitude of the people in the area to borrowing money to build homes.

Table 1: Savings Contribution within the Metropolitan Lagos between 2001–2015

Year	No. of Registered Employers of Labour	No. of Individual Savings Contributors	Issuance of Passbooks	Total Amount Contributed (₦)
2001	4330	118900	113548	1,151,548,761
2002	4469	119017	117900	1,160,413,633
2003	4732	120364	118304	1,153,587,620
2004	4808	122019	120173	1,236,372,688
2005	6176	119624	115266	1,849,661,920
2006	7335	113690	104029	1,830,221,006
2007	7341	108708	101733	1,977,016,536
2008	8344	146209	126611	2,815,330,093
2009	9571	233951	207348	3,779,421,603
2010	10640	291507	273132	3,531,205,823
2011	11601	313461	302579	4,021,113,548
2012	13084	388757	347034	4,220,244,411
2013	13486	405012	371019	4,754,128,589
2014	13584	390118	373266	4,758,506,397
2015	17718	420461	382195	3,998,924,180

Source: FMBN, July 2015.

4.2 THE RATE OF GROWTH OF PMIs AND MORTGAGE BENEFICIARIES (2006-2014)

Although, the list of licensed PMIs in Nigeria kept increasing cumulatively from 2006-2014, the corresponding addition to the list of PMIs on yearly basis kept decreasing from 2007 to 2014 as indicated in Table 2. While there was addition of 160 new PMIs in 2007 to the initial 52 in 2006 resulting to cumulative of 212 in 2007, as at 2014 the rate of addition has decreased to 31 though with cumulative total number of 563 PMIs. Indeed the number of individual beneficiaries kept increasing from 22 in 2006 to as much as 433 (36.36% of total applicants) in 2015 as shown in table 3, this is far below 758 pending applicants (63.64% of total applicants)

Table 2: Licensed Primary Mortgage Institutions in Nigeria (2006–2014) and Summary of Loan Application Approved in the Metropolitan Lagos (2006-2015)

Year	No. of PMIs License	Cumulative Total	Amount of Loan Approved (₦)	Number of Individual Beneficiaries
2006	52	–	1,250,000	22
2007	160	212	2,300,920	23
2008	149	361	24,396,733	35
2009	41	402	31,792,367	20
2010	33	435	29,001,100	30
2011	32	467	70,150,250	45
2012	32	499	60,100,100	65
2013	33	532	88,157,255	85
2014	31	563	80,020,200	108
2015	-	-	387,168,925	433

Source: FMBN, July 2015.

Table 3: Comparative Data on Loan Application and Loan Approved in the Metropolitan Lagos from 2006–2015

Amount of Worth of Application (₦)	Amount Approved		Amount of Outstanding Application		No. of Individual Applicants	No. of Individual Beneficiaries		No. of Individual Pending	
	Amount (₦)	%	Amount (₦)	%		No.	%	No.	%
(06)8,250,000	1,250,000	15.15	7,000,000	84.85	47	22	46.81	25	53.19
(07)38,030,070	23,000,000	60.48	15,030,070	39.52	30	23	76.67	7	23.33
(08)27,985,650	24,396,733	87.18	3,588,917	12.82	48	35	72.92	13	27.08
(09)92,108,000	31,792,367	34.52	60,315,633	65.48	63	20	31.75	43	68.25
(10)49,700,000	29,001,100	58.35	20,698,900	41.65	113	30	26.55	83	73.45
(11)115,395,000	70,150,250	60.79	45,244,750	39.21	168	45	26.79	123	73.21
(12)90,845,170	60,100,000	66.16	30,745,170	33.84	118	65	55.08	53	44.92
(13)102,750,000	88,157,255	85.80	14,592,745	14.20	198	85	42.93	113	57.07
(14)307,801,000	60,020,200	19.50	247,780,800	80.50	406	108	26.60	298	73.4
(15)802,155,890	387,168,925	48.27	414,986,965	51.73	1,191	433	36.36	758	63.64

Source: FMBN, July 2015.

4.3 LOANS APPLICATION

Table 4 shows the business activities of the mortgage system between 2006 and 2015, in which it became clear that there was a gradual increase in the number of loan applications received from PMIs, the number of mortgage created and funds approved for mortgagors except for a drop in 2012, though as this seems to be developing, the expected effectiveness to cope with the realities in house building activities is still very low.

Table 4: Loans Applications Documented by the Federal Mortgage of Nigeria within the Metropolitan Lagos between 2006–2015

Year	No. of Applications Forwarded by Accredited PMIs	No. of Applications Pending	No. of Beneficiaries	Sum Approved (₦'000)
2001-2006	NA	NA	NA	NA
2007	7	–	7	1,231
2008	15	1	14	4,288
2009	244	23	221	149,199
2010	356	27	329	160,142
2011	1,429	23	1,406	616,018
2012	1,057	61	995	891,304
2013	1,465	301	1,164	1,034,726
2014	4,573	151	4,136	2,856,908
2015	4469	208	4297	6,669,120

Source: FMBN, July 2015.

4.4 SAVINGS CONTRIBUTION AND LOAN APPLICATION

Table 5 shows that under the umbrella of the national housing fund, the Federal Mortgage Bank of Nigeria received 13615 loan applications from accredited PMIs and created 12569 mortgages with a sum of N4, 862,888,172 million out of the mandatory savings contributions that amounted to N 13, 731,852,937 between 2006 and 2015. Mortgage loan activities appreciated yearly over the period under study, especially in the number of applications received from prospective mortgagors, which recorded a substantial leap in 2009, but by and large, the tempo of activities as well as its volume is far below reasonable indices that could drive the housing sector's development to its expected height.

Table 5: Analysis of Savings Contribution versus Loan Applications Documented by the Federal Mortgage of Nigeria within the Metropolitan Lagos between 2001–2015.

S/N	Activity	Output
1.	Total number of savings contributors in persons	3,411,798
2.	Total number of loan applications received from PMIs	
3.	Total number of loan applications approved by FMBN	
4.	Total fund mobilised through mandatory savings	
5.	Total sum disbursed on mortgages created	

Source: FMBN, July 2015.

4.5 ACTIVITIES OF PMIs BETWEEN 2008-2015

From table 6 , it is noteworthy that there exists a sharp increase in the number of mortgage loan applications, number of mortgage created, percentage increase in the volume of loan applications, percentage of loan eventually approved, as well as amount approved together with annual percentage of increase in sums approved in the year 2011, as depicted thus 31,904 ,19224, 1263.4%, 60.3%, ₦108, 454,000 and 109.2% respectively, as distinctly different from what obtained in the previous 3years of 2008,2009 and 2010 put together, the increase has though been steady ever-since then, nevertheless, this trend viz-a-viz the increased mortgage, there is a need for meeting the ever granting population of Nigerians and aspiration of attainment of world best practices, Nigeria's mortgage system is considered far from being adequate.

Table 6: Summary of Activities of Primary Mortgage Institutions between 2008–2015

Year	No. of Mortgage Loan Applications	% Increase in the Number of Loan Applications	No. of Mortgages Created	%age of Loan Applications Approved	Amount Approved ₦ (million)	Annual %age increase in sums approved
2008	1,084	–	364	33.6	253.84	–
2009	1,652	52.4	432	26.2	414.19	63.2
2010	2,340	41.6	647	27.6	518.45	25.2
2011	31,904	1,263.4	19,224	60.3	1,084.54	109.2
2012	41,648	30.5	25,432	61.1	1,784.01	64.5
2013	47,423	13.9	29,537	62.3	1,909.44	7.0
2014	53,917	13.7	34,654	64.3	2,390.71	25.2
2015	64,676	20	55,142	85.3	3,904.23	63.3
Total	244,644	–	165,432	–	12,259.41	–

Source: Field Survey, July 2015.

4.6 COMPARISON OF MORTGAGE ACTIVITIES

From table 7, it has been shown that only 5.57% (13615/244,644) of mortgage loan applications and 7.58% (12569/165432) of mortgage created were achieved by the mortgage system during the period under review. The total sum approved was 11.2% (13,731,852,937.91/1,225,941,000), which is far lesser to what was expected to be issued for sufficient fund available for housing development. The implication is that borrowers might be drawn away from this financial vehicle and continues exploring the traditional equity, savings and/or commercial bank loan arrangements.

Table 7: A Comparison of Activities with and without the National Housing Fund between 2001–2015.

Mortgage Activities	FMBN	Primary Mortgage Institutions	%age of FMBN Output to others
No. of mortgage loan applications	13615	244,644	5.57
No. of mortgages created	12569	165,432	7.58
Total sum approved (millions)	13,731,8529 37.91	1,225,941,000	11.2

Source: Field Survey, July 2015.

4.7 THE ANALYSED QUESTIONNAIRES

However, the analysis of questionnaires collected for this study together with the Likert inferences are shown in Tables 8-11 as follow. Table 8 shows stakeholders perceptions of the effectiveness of the mortgage system, occasioned by some of the objectives of the National Housing Policy, by placing the highest indices of values as 67.83% and 60.87% on restriction of the FMBN and un-attractive posture and poor enabling environment for local building materials respectively, as the two most strategic efforts towards attaining an improved mortgage sector.

Table 8: National Housing Policy Objectives as a cause of ineffective Mortgage Finance System

Strategies	Ranking				
	(SD) 1	(D) 2	(U) 3	(A) 4	(SA) 5
Ill-structure arrangement of the Mortgage Finance objectives via National Housing Policy	2 (1.74)	1 (0.87)	2 (1.74)	70 (**60.87**)	40 (34.78)
Non-Mobilisation of savings as timely stipulated by NHF	6 (5.22)	4 (3.48)	10 (8.7)	55 (47.83)	40 (34.78)
Infrequent flow of funds to FMBN for onward disbursement	6 (5.22)	14 (12.17)	8 (6.96)	65 (56.52)	22 (19.13)
Non-appropriateness of the relevant laws to contemporary housing finance realities	– (0.0)	2 (1.74)	8 (6.96)	70 (**60.87**)	35 (30.43)
Inordinate departmentalization of relevant housing finance corporations and bodies	7 (6.09)	41 (35.65)	13 (11.3)	45 (39.13)	9 (7.83)
Non-utilisation of the necessary inputs of the private sector participants	5 (4.35)	30 (26.09)	11 (9.57)	52 (45.22)	17 (14.78)
Discouraging posture and non-conducive atmosphere towards local building materials production and application	2 (1.74)	10 (8.7)	2 (1.74)	78 (**67.83**)	23 (20)
Utopian conditions attached to house design and construction for advancing of mortgage facility	8 (6.96)	30 (26.09)	5 (4.35)	60 (52.17)	12 (10.43)
Over-prioritisation of housing location as requirement for granting mortgage loan	7 (6.09)	40 (34.78)	9 (7.83)	48 (41.74)	11 (9.57)
Poor expertise and shortage in the staff strength	2 (1.74)	25 (21.74)	15 (13.04)	60 (52.17)	13 (11.3)

Source: Field Survey, July 2015.

Table 9 captures the responses of the stakeholders on how the structure of National Housing Policy contributes to the ineffectiveness of the mortgage finance system with the highest indices of values, i.e. 59.13% placed on corruption in the system of mortgage delivery and absence of corporate admiralty, all the same, improved mortgage system needs to address this.

Table 9: National Housing Policy Structure a cause of ineffective Mortgage Finance System

Structures	Ranking				
	(SD) 1	(D) 2	(U) 3	(A) 4	(SA) 5
Deficiency in the funding source's arrangement	10 (8.7)	18 (15.65)	6 (5.22)	51 (44.35)	30 (26.09)
Mortgage finance facilities are few	8 (6.96)	20 (17.39)	5 (4.35)	53 (46.09)	29 (25.22)
Absence of pledged security of loan	5 (4.35)	35 (30.43)	13 (11.3)	55 (47.83)	7 (6.09)
Corruption in system of mortgage delivery	4 (3.48)	25 (21.74)	7 (6.09)	68 (**59.13**)	11 (9.57)
Dwarfs in financial market growths	19 (16.52)	30 (26.09)	15 (13.04)	45 (39.13)	6 (5.22)
Absence of Corporate Admiralty	4 (3.48)	25 (21.74)	7 (6.09)	68 (**59.13**)	11 (9.57)
Compliance of the mortgage system is weak	4 (3.48)	11 (9.57)	13 (11.38)	55 (47.83)	32 (17.89)
Biases in the regulatory setting	3 (2.61)	48 (41.74)	6 (5.22)	53 (46.09)	5 (4.35)
There is a vulnerability of the mortgage system to instability in the economy	3 (2.61)	7 (6.09)	11 (9.57)	66 (**57.39**)	28 (24.35)

Source: Field Survey, July 2015.

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Table 10 provides clarification on the level of effectiveness of the mortgage finance system as a result of the activities of the system, placing highest indices of values of 68.70% and 61.74% of non-performance of estate management functions and that of pension funds management as the most contributing factors, hence improved mortgage system surely needs overhauling on this regard.

Table 10: Ineffectiveness of Mortgage Finance System Occasioned by PMIs Activities

Activities of Mortgage Financing Institutions as spelt out by the National Housing Policy	SD 1	D 2	U 3	A 4	SA 5
Unethical acceptance of savings and deposits is very high	36 (31.3)	19 (16.52	11 (9.57)	46 (40)	3 (2.61)
Granting of loans for building, improvement or extension of a house is faced with high irregularities	36 (31.3)	17 (14.78)	11 (9.57)	47 (40.87)	4 (3.48)
Granting of loan for the purchase of a house is stylishly frowned at	36 (31.3)	29 (25.22)	9 (7.83)	41 (35.65)	– (0.0)
Management of pension funds/scheme is done with low ebb	4 (3.48)	32 (27.83)	4 (3.48)	71 **(61.74)**	4 (3.48)
Offering of technical advisory services for the purchase/construction of a building is greeted with lackadaisical attitude.	13 (11.3)	46 (40)	6 (5.22)	45 (39.13)	5 (4.35)
Performing estate management duties is almost not done with the expected level of professionalism	1 (0.87)	13 (11.3)	9 (7.83)	79 **(68.7)**	13 (11.3)
Offering project advisory/consultancy services for estate development is done, but with little attention to detailed analyses	36 (31.3)	18 (15.65)	10 (8.7)	49 (42.61)	2 (1.74)
Engaging in estate development through loan syndication is of great paramount	36 (31.3)	29 (25.22)	5 (4.35)	44 (38.26)	1 (0.87)
Engaging in property trading, including land acquisition and disposal is done without commensurate to the acts.	14 (12.17)	40 (34.78)	5 (4.35)	50 (43.48)	6 (5.22)

Source: Field Survey, July 2015.

Table 11 captures aptly, by means of properties the joint responses of all stakeholders on identified way of assessing the effectiveness of the mortgage financing system; with the four most important basis , ranking on the highest scale of 4, with their respective frequencies are : savings mobilised / funds disbursed (65.22%), total sum approved / sum disbursed (64.35%) amount realised from loan / repayment / arrears (61.74%) and number of mortgage retained / numbers of mortgages foreclosed (60%) respectively, all of these are lower than efficiency parameters of vibrancy mortgage system on the global best practice scale of 75% (Yumming, 2000).

Table 11: Assessment of the performance of effectiveness of Mortgage Finance System

Yardsticks for Vibrancy	Rationale for Vibrancy Assessment	(SD) 1	(D) 2	(U) 3	(A) 4	(SA) 5
Adequacy in availability, affordability, and accessibility of mortgage facility	(a) Number of savings depositors/various products available for all categories of savers over time	6 (5.22)	29 (25.22)	9 (7.83)	60 (52.17)	11 (9.57)
	(b) Number of qualified prospective loan applicants/geographical spread	5 (4.35)	27 (23.48)	7 (6.09)	65 (56.52)	11 (9.57)

Subsidiarity and replicability cum coverage of Mortgage Facility is very high	(a)	Number of qualified prospective loan applicants/number of mortgages created	5 (4.35)	25 (21.74)	5 (4.35)	66 (57.39)	14 (12.17)
	(b)	Number of mortgagors/geographical spread	7 (6.09)	23 (20)	6 (5.22)	64 (55.65)	15 (13.04)
	(c)	Number of mortgages retained/number of mortgages foreclosed	9 (7.83)	19 (16.52)	2 (1.74)	69 (60)	16 (13.91)
Financial Liability to Equity Ratio of the Mortgage Facility is reasonable	(a)	Savings mobilised/Funds disbursed	6 (5.22)	15 (13.04)	1 (0.87)	75 **(65.22)**	18 (15.65)
	(b)	Total sum approved/sum disbursed	3 (2.61)	15 (13.04)	5 (4.35)	74 **(64.35)**	18 (15.65)
	(c)	Amount realised from loan repayment/arrears	6 (5.22)	13 (11.3)	3 (2.61)	71 (61.74)	22 (19.13)
Economic impact indicators of Mortgage System is very high	(a)	PMIs Assets Creation/Staff Welfare	7 (6.09)	23 (20)	6 (5.22)	64 (55.65)	15 (13.04)
	(b)	PMIs Operations/Needs of potential mortgagors	5 (4.35)	27 (23.48)	8 (6.96)	63 (54.78)	12 (10.43)

Source: Field Survey, July 2015.

The response rate achieved on the part of the stakeholders considered for this study stands at 72%, meaning that the relative familiarisation of the stakeholders to the study area helped in this study and would go a long way to guarantee accessibility to loan-seeking employees in decades to come, particularly if the tempo is sustained. It is also noteworthy that the desire to have one's house at its peak when one has started to multiply and to lose oneself from the hawks' hands of shylock landlords with all people out of 90 respondents that gave their marital status as married. Furthermore, out of all the respondents, none of the 2 groups' stakeholders, i.e. the lenders and the borrowers placed much emphasis on the encouragement of research into and those of locally produced materials for constructions as a means of reducing housing cost.

A glance at the structures put in place by the government for achieving the provision of housing for all with respect to NHP on the ground, the responses so far point to the fact that the three interview relationship of the source of funds, the regulatory setting and the mortgage delivery system is the most critical.

While the Apex bank takes charge of the collection and administration of the national housing funds, accredited PMIs serve as the intermediaries for processing and packaging mortgage loan application from savings contributors for the Apex Bank for funding with 13 out of the 14 respondents lenders' group choosing acceptance of deposits and savings, granting of loans for building and improvement or extension of a house as well as purchases of the same. Since issuance of passbook is a must which is admissible as evidence for any mortgage, the Lagos Metropolitan area could be adjudged as most adhering of all the locations of mortgage business wherever this is being done out of these people that are actual contributors to NHF in the southwest Nigeria.

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It may be summarily inferred that the level of improvement in the loan activities of the FMBN and other mortgage institutions has been on the increase in the recent years with 4469 applications forwarded by accredited PMIs in 2015 as against 7 in 2007 and the number of beneficiaries standing at 4297 as against 7 in the years under review.

5.0   CONCLUSION

The importance of mortgage financing depends upon the level of savings and lending structure as well as governmental policies in this direction. This invariably gave birth to the existence of primary mortgage institutions which most of Nigerians believes to fill the "missing link" in the mortgage industry.

However, the reasons for the ineffectiveness of the mortgage finance system in financing housing development in Lagos has been identified to include over concentration of prospective beneficiaries which are more than what the available PMIs can cater for, lack of adequate loan-able funds, the stringent requirements for accessing the NHF by PMIs and lack of enough qualified professionals in the mortgage banking sectors as well as a gross act of corruption in the system.

This mortgage industry in Nigeria can only develop when there is a viable secondary mortgage market that is backed by appropriate legal and regulatory framework. If this is achieved, it will enhance housing affordability and property investment, discourage cash and carry property acquisition and reduce corruption and stealing of public funds.

6.0   RECOMMENDATIONS

The following recommendations are hereby made towards improving on the current system of mortgage financing of housing in the study area.

It was set up in this research work that the number of mortgagors had steadily been on the increase. With the chances open to individuals, organisations, corporations, states etc to establish mortgage financing institution in any part of the Federation, registering and accrediting same with FMBN, the mandatory savings' contributions and presence of these mortgage financing institutions all over the federation, government has to provide enough avenues for greater public awareness. It is therefore hereby recommended that those states that have no PMIs yet should be encouraged to do so.

Existing laws and regulations of the FMBN should be reviewed by the Government to mandate employers of labour to remit mandatory savings' deductions of their staff

accurately and promptly to the Apex Mortgage Bank with heavy penalties for offenders.

There is the need for the Government to mandate PMIs to publish their annual reports in line with the identified performance, efficiency indicators so that the public at large would be able to compare and contrast the achievements of various PMIs in their domain. It is by so doing that the Apex Mortgage Bank will be challenged to speed up the consideration of loan applications and constantly review mortgage loan conditions to meet the realistic circumstances on the ground.

The Federal Government should embark on public enlightenment campaigns as regards to the National Housing Fund Scheme in order to arouse saving consciousness in the people, and also for the sake of highlighting the derivable benefits. Furthermore, in view of the poor image of the PMIs, a scheme similar to the Nigerian Deposit Insurance Corporation (NDIC) should be put in place for the PMIs to engender the investing public's confidence.

More people should adequately be trained in mortgage financing in order to pave way for efficiency in the services of the PMIs and to decrease the rate of default in payments of the loans obtained. This is simply because, if there

are trained professionals in this aspect of housing finance, they would always do the right thing at the right time bearing in mind the consequence(s) of any professional negligence which is punishable in law.

The government should relax some of the requirements for accessing a mortgage loan which has been considered too stringent by the public. Finally, the expected improvement in the mortgage financing system should aim at improving on the objectives and structure of National housing policy as well as the activities of the mortgage system established in this work.

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