

A BILL

FOR

AN ACT TO REPEAL THE NATIONAL HOUSING FUND ACT CAP. N45 LAWS OF THE FEDERATION OF NIGERIA (LFN) 2004 AND ENACT THE NATIONAL HOUSING FUND, TO MAKE PROVISIONS FOR ADDITIONAL SOURCES OF FUNDING; AND FOR RELATED MATTERS

Sponsors:

- | | |
|----------------------------------|---------------------------------|
| 1. Hon. Ahmad Babba Kaita | 2. Hon. Danladi Tijo Beido |
| 3. Hon. Baba Jimmy Benson | 4. Hon. Mohammed Sani Abdu |
| 5. Hon. Nasiru Sani Zongon Daura | 6. Hon. Aminu Sani Jaji |
| 7. Hon. Umar Mohammed Jega | 8. Hon. Gbuefi G. Jonathan |
| 9. Hon. Nnebe Anayo | 10. Hon. Johnbull T. Shekarau |
| 11. Hon. Ujam Chukwuemeka | 12. Hon. Iboro Ekanem |
| 13. Hon. Faruk Mohammed Bala | 14. Hon. Garba Ibrahim Mohammed |
| 15. Hon. Abdullahi Mahmud Gaya | 16. Hon. Abdullahi Umar |
| 17. Hon. Asuquo Daniel Effiong | |

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1 1.-(1) There is hereby established a fund to be know as the National
- 2 Housing Fund (in this Bill referred to as "the Fund").
- 3 (2) All contributions and other monies required or prescribed by
- 4 this Bill shall be paid into the Fund
- 5 2. The aims and objectives of the Fund shall be to:
- 6 (a) facilitate the mobilization of the Fund for the provision of
- 7 houses for Nigerians at affordable prices;
- 8 (b) ensure the constant supply of loans to Nigerians for the purpose
- 9 of building, purchasing and improvement; of residential houses.

Establishment of the National Housing Fund

Aims and Objectives of the Fund

1 (c) providing incentives for the capital market to invest in property
2 development;

3 (d) encourage the development of specific programs that would
4 ensure effective financing of housing development, in particular low cost
5 housing for low income workers,

6 (e) Provide proper policy control over the allocation of resources and
7 funds between the housing sector and other sectors of the Nigerian economy;
8 and

9 (f) Provide long-term loans to mortgage institutions for on-lending to
10 contributions to the Fund.

Resources of
the Fund

11 3. The resources of the Fund shall consist of the following, that is-

12 (a) contributions by Nigerians both in the public and private sectors.

13 (b) investment in the Fund by commercial and merchant banks;

14 (c) investment in the Fund by insurance companies registered under
15 the Insurance Act; (Cap 117.)

16 (d) investment in the Fund by Pension Fund Administrators;

17 (e) financial contributions by the Federal Government for long-term
18 housing loans.

Contribution
by Nigerian
Workers

19 4.-(1) A Nigerian worker earning an income of N10,000 and above
20 per annum in both the public and the private sectors of the economy shall
21 contribute 2.5 percent of his basic monthly salary to the Fund.

22 (2) An interest rate of 4 percent shall be payable on the contributions
23 made under subsection (1) of this section.

Contributions
by Banks,
Insurance
Companies and
Pension Fund
Administrators

24 5.-(1) Every commercial or merchant bank shall invest in the Fund 10
25 percent of its loans and advances at an interest rate of 1 percent above the
26 interest rate payable on current account by banks.

27 (2) Every registered insurance company shall invest a minimum of 20
28 percent of its non- life funds and 40 percent of its life funds in real property
29 development of which not less than 50 percent shall be paid into the Fund
30 through the Federal Mortgage Bank of Nigeria (in this Bill referred as "the

1 bank") at an interest rate not exceeding 4 percent.

2 (3) Nothing contained in the Insurance Act or relating to
3 investment of insurance companies in real property shall affect the
4 provisions of this Act (1991 No. 58).

5 (4) Every registered Pension Fund Administrator shall invest a
6 minimum of 10% of its pension funds and assets in real estate development
7 investments.

8 (5) Nothing contained in the Pension Reform Act (2014 No. 4)
9 relating to investment of pension fund administrators in real estate
10 development investments shall affect the provisions of this Bill.

11 6.-(1) The Federal Government shall make adequate financial
12 contributions to the Fund for the purpose of granting of long term loans and
13 advances for housing development in Nigeria.

Contribution by
the Federal
Government

14 (2) The Federal Government may also make available such other
15 sums either in naira or foreign currency to the Fund as it may deem
16 necessary.

17 7. -(1) An employer who has in his employment an employee
18 earning a basic salary of N18,000 and above per annum shall deduct 2.5
19 percent of the monthly salary of that employee's contribution to the Fund.

Deduction by
Employers from
Monthly salary
of Workers

20 (2) The amount deducted pursuant to subsection (1) of this section
21 shall be remitted to the bank within one month of the making of the
22 deduction.

23 8.-(a) A self-employed person shall deduct from their monthly
24 incomes the amount stipulated in section (4) (1) of this Bill and within one
25 month remit same to the bank.

Participation in
the Fund by Self-
employed person

26 9.-(1) The Central Bank of Nigeria shall collect from commercial
27 and merchant banks at the end of each quarter and not later than one month
28 thereafter, the percentage of their contribution to the Fund as specified in
29 section 5 (1) of this Bill.

Duty of the
Central Bank of
Nigeria to collect
contribution from
Banks

30 (2) The Central Bank of Nigeria shall within two months of making

1 collection under subsection (1) of this section pay the money to the Bank for
2 investment in the Fund.

3 (3) Failure by any commercial or merchant bank to pay to the Bank
4 any amount due under subsection (1) of this section shall be regarded as a
5 contravention of this Bill and shall constitute one of the grounds for which the
6 Central Bank of Nigeria may cancel the registration of any commercial or
7 merchant bank in default.

Duty of the
National Insurance
Commission to
determine and
collect contribution
from Insurance
Companies

8 10.-(1) The National Insurance Commission shall collect from
9 insurance companies at the end of every year and not later than one month
10 thereafter, the percentage of their contribution to the Fund as specified in
11 section 5 (2) of this Bill.

12 (2) The National Insurance Commission shall within two months of
13 making collection under subsection (1) of this section pay the money to the
14 Bank for investment in the Fund.

15 (3) Failure by any insurance company to pay to the Bank any amount
16 due under subsection (1) of this section shall be regarded as a contravention of
17 this Bill and shall constitute one of the grounds for which the Commissioner for
18 Insurance may cancel the registration of an insurance company in default.

Duty of the Pension
Commission to
determine and
collect contribution
from Pension Fund
Administrators

19 11.-(1) The Pension Commission shall collect from pension fund
20 administrators at the end of every year and not later than one month thereafter,
21 the percentage of their contribution to the Fund as specified in section 5.(4) of
22 this Bill.

23 (2) The Pension Commission shall within two months of making
24 collection under subsection (1) of this section pay the money to the Bank for
25 investment in the Fund.

26 (3) Failure by any pension fund administrator to pay the Bank any
27 amount due under subsection (1) of this section shall be regarded as a
28 contravention of this Bill and shall constitute one of the grounds for which the
29 Pension Commission may cancel the licence of any pension fund administrator
30 in default.

1	12. All monies received by the Bank under this Bill shall be	Bank to pay the
2	credited to the Fund immediately on receipt.	money received
3	13.-(1) The Fund shall be managed and administered by the Bank.	into the Fund
4	(2) The Bank shall ensure that-	Management of
5	(a) the proceeds from the Fund are utilized to finance the housing	the Fund, etc.
6	sector of the economy through wholesale mortgage lending to primary	
7	mortgage institutions;	
8	(b) the aims, objectives and functions of the Fund are effectively	
9	carried out by the Bank and mortgage institutions.	
10	14. A Mortgage Institution registered under the Mortgage	Utilization of
11	Institutions Act (Cap. M19, LFN 2004) (in this Bill referred to as "mortgage	Loan by Mortgage
12	institution") shall utilize proceeds from the Fund to finance mortgage	Institutions
13	lending in accordance with the provisions of this Bill and the Mortgage	
14	Institutions Act. (Cap. M19).	
15	15.-(1) A Mortgage Institution duly licensed under the Mortgage	Beneficiaries
16	Institutions Act shall qualify for loans from the Fund, on such terms and	under the Fund
17	conditions as the Minister may, from time to time, by regulations published	
18	in the Gazette specify. (Cap M19)	
19	(2) Any loan obtained by a mortgage institution under subsection	
20	(1) of this section shall be made available to the contributors wishing to	
21	build, purchase or renovate houses.	
22	(3) The Minister may by regulations published in the Gazette	
23	specify the manner in which and the conditions and the terms of repayment	
24	of any loan obtained pursuant to subsection (2) of this section.	
25	16.-(1) Any loan obtained from a mortgage institution shall be	Security for
26	secured by the first mortgage.	Fund facilities
27	(2) Any loan granted by the Bank to a mortgage institution shall be	
28	secured by a block of existing mortgages under cover of Sales and	
29	Administration agreement to be executed between the bank and mortgage	
30	institution.	

1 (3) The Sales and Administration Agreement referred to in subsection
2 (2) of this section shall be registerable in the Land Registry along with the Deed
3 of Assignment of mortgages to which the Agreement relates.

Interest rate

4 17.-(1) The loans made by the Bank shall be at interest rates slightly
5 lower than the prevailing commercial rates in Nigeria.

6 (2) The interest rate for each loan shall be fixed for the duration of the
7 loan.

8 (3) The Bank shall charge the mortgage institution not more than one
9 percentage point above its borrowing point.

10 (4) Mortgage institutions shall be allowed a minimum of spread of
11 four percentage point above the rate charged by the bank.

Refund to a
Contributor
after retired
from the office etc.

12 18. Any contributor who has not obtained a housing loan from the
13 bank and has-

14 (a) attained the age of 60 years; or

15 (b) retired from his employment and becomes incapable of continuing
16 the contribution to the Fund as specified in this Bill.

Inspection.

17 19. The Bank shall have a right to access at all reasonable times to
18 offices, books of account and documents relating to deductions made, in
19 accordance with this Act by any employer or self-employed person and may
20 make any examination and inquiry necessary to obtain information for the
21 purposes of this Bill.

Rendering of
Accounts

22 20.-(1) The Bank shall render a periodic account on the Fund to the
23 Central Bank of Nigeria in such form as the Minister may direct.

24 (2) The Bank shall render annual returns to all contributors showing
25 amongst other things, total contributions accrued interests and balance to date.

26 (3) A mortgage institution which has obtained a loan from the Bank
27 shall render to bank quarterly returns in such form and manner as the minister
28 may, from time to time, specify.

1. 21.-(1) An employer who-
2. (a) fails to make deduction from the basic salaries of his employees
3. as required by this Bill; or

4. (b) deduct any sum of money from the basic salaries of his
5. employees for the purpose of the Fund and fails to remit the money so
6. deducted to the bank is guilty of an offence under this Bill.

7. (2) A person guilty of an offence under subsection (1) of this
8. section is liable on conviction, in case of:

9. (a) a body corporate, to a fine of N5,000,000; and

10. (b) an individual who is a staff in the employment of an employer
11. and who is authorized to make deduction or payment to the bank, to a fine of
12. N50,000 or imprisonment for a term of five years or to both such fine and
13. imprisonment.

14. (3) A self-employed person who fails to make deductions or
15. deducts and fails to remit to the Bank any money due to the Fund is guilty of
16. an offence under this Bill and liable on conviction of a fine of N50,000 or to
17. imprisonment for a term of one year or to both fine and imprisonment.

18. (4) A person who prevents or obstructs the deduction or remittance
19. of the contribution due to the Bank under this Bill is guilty of an offence and
20. is liable on conviction to a fine of N20,000 or to imprisonment for a term of
21. one year or to both such fine and imprisonment.

22. (5) The institution of proceedings or imposition of a penalty under
23. this section shall not relieve any employer or self-employed person from
24. liability to pay to the Bank the money deducted by him for the purpose of the
25. Fund.

26. 22. A person who for the purpose of evading payment of any
27. deduction or contribution made by him or some other person or who for the
28. purpose of obtaining any benefit for himself or some other person under the
29. Fund knowingly makes:

30. (a) any false statement; or

Offence and
penalty for the
failure by an
Employer to
deduct or pay
deductions

Offences of
making false
statement of
misrepresentation,
etc.

- 1 (b) misrepresentation; or
- 2 (c) produces or furnishes any document or information which he
- 3 knows to be false in any material particular is guilty of an offence under this
- 4 Bill and liable on conviction to a fine of N30,000 or to imprisonment for a term
- 5 of three (3) years or to both of such fine and imprisonment.
- 6 **23.** A person who fails to produce any document for inspection under
- 7 this Bill is guilty of an offence and liable on conviction in the case of-
- 8 (a) a body corporate, to a fine of N1,000,000.
- 9 (b) an individual to a fine of N50,000 or imprisonment for a term of
- 10 one year or to both such fine and imprisonment.
- 11 **24.** The Fund and the refund of any contribution made under this Bill
- 12 shall be exempted from payment of income tax.
- 13 **25.** The Federal High Court shall have jurisdiction to try all offences
- 14 under this Bill.
- 15 **26.** The Minister may, on the recommendation of the Bank, make such
- 16 regulations as may be necessary for the implementation of this Bill.
- 17 **27.**-(1) The National Housing Fund Act Cap. N45 LFN, 2004 is
- 18 repealed.
- 19 (2) Without prejudice to the provisions of section 6 of the
- 20 Interpretation Act, the repeal of the enactment specified in subsection (1) of
- 21 this section shall not affect:
- 22 (a) Anything done or any action taken under or pursuant to the
- 23 repealed enactment except that such thing done or any action taken shall be
- 24 construed in accordance with the provisions of this Bill.
- 25 (3) Every regulation, order, requirement, certificate, notice, direction,
- 26 decision, authorization, consent, application, request or thing made, issued,
- 27 given or done under the repealed Act shall, if in force at the commencement of
- 28 this Bill, continue to be in force and have the same effect as if made, issued,
- 29 given or done under the corresponding provisions of this Bill.
- 30 (4) All assets, funds, resources and other movable and immovable

1 property which immediately before the commencement of this Bill, vested
2 in the Fund established under the repealed Act shall, by virtue of this Act and
3 without further assurance, be vested in the Fund.

4 (5) Every reference to the Fund established under the repealed Act,
5 Minister or Bank or a document in the name of the Fund shall be read, unless
6 the context otherwise requires, as a reference to the Fund, Minister or the
7 Bank.

8 (6) Any instrument held immediately before the commencement
9 date of this Bill on behalf of the Fund established under the repealed Act by
10 the Bank or any person shall, by virtue of this Bill, be vested in the Fund
11 established under this Bill.

12 (7) The Fund shall be subject to all the obligations and liabilities to
13 which the Fund established under the repealed Act was subject immediately
14 before the commencement of this Bill and all other persons shall have the
15 same rights, powers and remedies against the Fund as they had against the
16 Fund established under the repealed Act immediately before the
17 commencement of this Bill.

18 (8) Any proceedings or cause of action pending or existing
19 immediately before the commencement of this Bill by or against the Fund
20 established under the repealed Act in respect of any right, interest, obligation
21 or liability of the Fund, may be continued or commenced, as the case may be,
22 and any determination of a court of law, tribunal or other commission may
23 be enforced by or against the Fund established by this Bill to the same extent
24 that such proceeding, cause of action or determination might have been
25 continued, commenced or enforced by or against the Fund established under
26 the repealed Act, as if this Bill has not been made.

27 28. In this Bill, unless the context otherwise requires-

28 "Bank" means Federal Mortgage Bank of Nigeria;

29 "banks" means commercial and merchant banks;

30 "Contributions" means deductions made from the basic monthly salaries of

Interpretation

- 1 workers in accordance with the provisions of the Act;
- 2 "contributor" means a worker from whose basic salary or income deductions
- 3 are made and paid into the Fund in accordance with the provisions of the Act;
- 4 "Minister" means the Minister charged with the responsibility for housing;
- 5 "mortgage institution" means a mortgage institution licensed under the
- 6 Mortgage Institution Act; (Cap. M19).
- 7 "retail mortgage lending" means the system of lending money to contributors
- 8 by mortgage institutions under the Act or under any regulations made
- 9 thereunder;
- 10 "wholesale mortgage lending" means the system of lending money to
- 11 mortgage institutions under this Act, or regulations made thereunder;
- 12 "worker" means an employee to whom salaries are paid and includes a self-
- 13 employed person who derives income from his employment.
- Short title 14 **29.** This Bill may be cited as the National Housing Fund (Repeal and
- 15 Enactment) Bill, 2017.

EXPLANATORY MEMORANDUM

This Bill seeks to repeal the National Housing Fund Cap. N45 Laws of the Federation of Nigeria (LFN), 2004 and Enact the National Housing Fund to provide for additional sources of funding, provide stiffer fines and penalties to ensure effective, adequate and sustainably affordable Housing delivery in Nigeria.