

A BILL

FOR

AN ACT TO PROVIDE FOR THE REPEAL OF THE FEDERAL MORTGAGE BANK OF NIGERIA ACT 1993 AND TO MAKE COMPREHENSIVE PROVISIONS FOR THE RE-ESTABLISHMENT OF THE FEDERAL MORTGAGE BANK OF NIGERIA AND ITS BOARD OF DIRECTORS AND FOR RELATED MATTERS

Sponsored by Hon. Abdullahi Umar Faruk

[] Commencement

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

1 PART 1 - ESTABLISHMENT OF THE FEDERAL MORTGAGE BANK OF
2 NIGERIA AND ITS BOARD OF DIRECTORS, ETC.

3 1.-(1) There is hereby established a secondary mortgage Bank to be Establishment
4 known as the Federal Mortgage Bank of Nigeria (in this Act referred to as of the Federal
5 “the Mortgage Bank”): Mortgage Bank
6 of Nigeria

6 (a) shall be a body corporate with perpetual succession and a
7 common seal;

8 (b) may sue and be sued in its corporate name;

9 (c) may for the purpose of its functions acquire, hold or dispose of
10 property whether movable or immovable.

11 2. The ownership structure of the Mortgage Bank shall be: Ownership of the
12 Mortgage Bank

12 (a) the Federal Government;

13 (b) the Central Bank of Nigeria; and

14 (c) the Nigeria Social Insurance Trust Fund.

15 3. There is hereby established for the Mortgage Bank a Board of Establishment
16 Directors (in this Act referred to as "the Board"). of the Board of
17 Directors

17 4.-(1) The Board shall consist of the following members to be Composition of
18 appointed by the President on the recommendation of the Minister: the Board

19 (a) a Chairman;

- 1 (b) a representative each of:
- 2 (i) the Federal Ministry of Housing and Urban Development;
- 3 (ii) the Federal Ministry of Finance;
- 4 (iii) the Nigerian Institution of Estate Surveyors and Valuers;
- 5 (iv) the Nigerian Institution of Estate of Architects;
- 6 (v) the Central Bank of Nigeria;
- 7 (vi) the Nigeria Social Insurance Trust Fund;
- 8 (vii) the Organised Private Sector;
- 9 (c) one person to represent public interest; and
- 10 (d) the Managing Director of the Mortgage Bank.
- 11 (e) the Executive Directors of the Mortgage Bank.

12 *Schedule*

13 (2) The provisions of the Schedule to this Act shall have effect with

14 respect to the proceedings of the Board and the other matters mentioned

15 therein.

Tenure of Office

16 **5.** The Chairman and other members of the Board, other than the

17 Managing Director and the Executive Directors, shall hold office:

18 (a) for a term of 4 years in the first instance and may be re-appointed

19 for one further term of 4 years and no more; and

20 (b) on such other terms and conditions as may be specified in their

21 letters of appointment.

Cessation of membership

22 **6.-(1)** notwithstanding the provisions of clause 5 of this Act a person

23 shall cease to hold office as a member of the Board if:

24 (a) he becomes bankrupt or makes a compromise with his creditors;

25 (b) he is convicted of a felony or any offence involving dishonesty or

26 fraud;

27 (c) he becomes of unsound mind or is incapable of carrying out his

28 duties;

29 (d) he is guilty of a serious misconduct in relation to his duties;

30 (e) in the case of a person possessed of professional qualification, he

1 is disqualified or suspended, from practising his profession in any part of the
2 world by an order of a competent authority made in respect of that member;

3 (f) he resigns his appointment by a letter addressed to the President
4 through the Minister.

5 (2) If a member of the Board ceases to hold office for any reason
6 whatsoever before the expiration of the term for which he is appointed,
7 another person representing the same interest as that member shall be
8 appointed to the Board for the un-expired term.

9 (3) If it appears to the Board that a member of the Board, is
10 incapable of holding office on the grounds of misconduct or inability to
11 perform the functions of his office, the Board shall make a recommendation,
12 through the Minister, to the President for the removal of the member.

13 (4) Notwithstanding sub-clauses (1) and (3) of this clause, a
14 member of the Board may be removed by the President if he is satisfied that
15 it is not in the interest of the Mortgage Bank or of the public that the member
16 continues in office.

17 (5) If the President approves the resignation under paragraph (f) of
18 sub-clause (1) or the removal under sub-clauses (3) and (4) of this clause, the
19 Minister shall declare in writing, the office of such member vacant.

20 **7.** The Chairman and members of the Board shall be paid such
21 remunerations, allowances and expenses as may be approved by the
22 President, from time to time, on the recommendation of the Minister.

Remuneration,
allowances, etc.
of members

23 **8.** The Board shall have power to:

Powers of the
Board

24 (a) acquire office and other premises for the use of the Mortgage
25 Bank;

26 (b) fix terms and conditions of service including remuneration,
27 allowances, and other benefits of the employees of the Mortgage Bank;

28 (c) establish such zonal and other branches of the Mortgage Bank
29 as it may deem necessary for the proper performance of its functions; and

30 (d) do such other things which in its opinion are calculated to

	1	facilitate the carrying out of the functions of the Mortgage Bank under this Act.
Functions of the Board	2	9. Subject to the supervisory role of the Central Bank of Nigeria and
	3	the general direction of the Minister, the Board shall:
	4	(a) manage and superintend the affairs of the Mortgage Bank;
	5	(b) be responsible for the overall and general management of the
	6	Mortgage Bank;
	7	(c) formulate policies and guidelines for operating the loans from the
	8	Mortgage Bank and ensuring their implementation;
	9	(d) working closely with the management of the Mortgage Bank,
	10	ensure the smooth operation of its affairs;
	11	(e) oversee the management and operation of funds collected and
	12	disbursed for and on behalf of the National Housing Trust Fund;
	13	(f) subject to sub-clause (I) of clause 18 of this Act, decide on and
	14	approve the borrowing power and credit limits of the Mortgage Bank;
	15	(g) approve annual reports and audited statements of account of the
	16	Mortgage Bank;
	17	(h) appoint external auditor and approve their fees; and
	18	(i) carry out such other activities connected with or incidental to the
	19	functions of the Board.
	20	PART II - FUNCTIONS AND POWERS OF THE MORTGAGE BANK
Functions of the Mortgage Bank 1992 No. 3	21	10. The Mortgage Bank shall:
	22	(a) operate as a secondary mortgage institution to serve the needs of
	23	housing delivery in all parts of Nigeria;
	24	(b) provide credit facilities to primary mortgage institutions, real
	25	estate developing companies or bodies, housing corporations and housing co-
	26	operatives in Nigeria at such rates and on such terms and conditions as may be
	27	determined, from time to time, by the Board in accordance with the
	28	Regulations or Guidelines of the Central Bank of Nigeria;
	29	(c) encourage the emergence and sustainable growth of a viable
	30	secondary mortgage market;

1 (d) supervise and control the activities of primary mortgage
2 institutions in accordance with the provisions of the National Housing Trust
3 Fund Act for the utilization of the National Housing Trust Fund;

4 (e) collect and administer the National Housing Trust Fund
5 established under the National Housing Trust Fund Act subject to the
6 general supervision of the Board of Trustees of the National Housing Trust
7 Fund;

8 (f) in an agency capacity, and subject to the provisions of the
9 National Housing Trust Fund Act:

10 (a) provide long-term credit facilities to primary mortgage
11 institutions for on-lending under the Fund on behalf of the Board of Trustees
12 of the Fund on such terms and conditions as may be determined by the Board
13 of Trustees of the Fund:

14 (i) to individuals for building, purchasing, renovating and
15 improving of residential houses;

16 (ii) for the development of specific programmes that would ensure
17 effective financing of such low cost housing development; and

18 (b) provide short-term credit facilities to real estate developers,
19 housing corporations, and housing co-operatives for the development of
20 houses under the Fund on behalf of the Board of Trustees at such rates and on
21 such terms and conditions as may be determined by the Board of Trustees of
22 the Fund.

23 (g) do anything and enter into any transaction which in the opinion
24 of the Board is necessary to ensure the proper performance of its functions
25 under this Act.

26 **11.-(1)** Without prejudice to the generality of clause 10 of this Act,
27 the Mortgage Bank shall, as a secondary mortgage institution, have power
28 to:

29 (a) accept deposits and savings from primary mortgage institutions
30 and other institutions;

Powers of the
Mortgage Bank,
etc.

1 (b) issue its own securities including debentures and bonds under the
2 guarantee of the Central Bank of Nigeria;

3 (c) issue promissory notes and other bills of exchange for the
4 purposes of raising funds from financial institutions;

5 (d) establish a sinking fund for the redemption of securities by the
6 Mortgage Bank and approve for contributions by it to the sinking fund;

7 (e) encourage and promote studies and researches aimed at improving
8 mortgage finance systems, housing patterns and standards that are capable of
9 facilitating housing delivery activities in both the urban and rural areas of
10 Nigeria;

11 (f) in collaboration with reputable insurance companies, organize
12 mortgage protection systems designed to safeguard the mortgages and
13 guarantee liquidity to primary mortgage institutions as well as afford them the
14 opportunity of having liberal premium terms; and

15 (g) do anything and enter into any transaction which in its opinion is
16 necessary to ensure the proper performance of its functions under this Act.

17 (2) the liability of the Mortgage Bank which may be incurred in
18 connection with the exercise of its powers under sub-clause (1) of this Clause
19 shall be re-discounted with the Central Bank of Nigeria.

20 PART III - STAFF OF THE MORTGAGE BANK

Managing
Director and
Executive
Directors of the
Mortgage Bank

21 **12.**-(1) There shall be appointed for the Mortgage Bank a Managing
22 Director who shall:

23 (a) be the chief executive officer and accounting officer of the
24 Mortgage Bank;

25 (b) be responsible for the day-to-day administration of the Mortgage
26 Bank;

27 (c) be an ex-officio member of the Board of Trustees of the National
28 Housing Trust Fund established under the National Housing Trust Fund Act;
29 and

1 (d) liaise between the Mortgage Bank and the National Housing
2 Trust Fund,

3 (2) (a) The Board may appoint for the Mortgage Bank from among
4 the Executive Directors, a Deputy Managing Director, on the
5 recommendation of the Managing Director/Chief Executive on such terms
6 and conditions as may be determined by the Board;

7 (b) The Deputy Managing Director shall in addition to his duties as
8 Executive Director, perform such other duties as may be specified or
9 assigned to him from time to time by the Board or the Managing
10 Director/Chief Executive.

11 (3) There shall be appointed for the Mortgage Bank four Executive
12 Directors to be appointed by the President on the recommendation of the
13 Minister.

14 (4) The Executive Directors appointed under sub-clause (3) of this
15 clause shall perform such duties as may be assigned to them, from time to
16 time, by the Board or the Managing Director.

17 (5) A person appointed as the Managing Director, Deputy
18 Managing Director or Executive Director shall not, while holding the office,
19 qualify to hold any office as a Director in any other bank, mortgage
20 institution, corporation, or any other establishment, whether temporary or
21 otherwise, without the approval of both the Minister and the Central Bank of
22 Nigeria on the recommendation of the Board.

23 (6) The Managing Director and the Executive Directors shall each
24 hold office:

25 (a) for a term of 5 years in the first instance and may be re-
26 appointed for a further term of 5 years and no more; and

27 (b) on such terms and conditions contained in their letters of
28 appointment.

29 13.-(1) There shall be appointed for the Board of the Mortgage
30 Bank, a Secretary who shall:

Secretary to the
Mortgage Bank
and other staff

- 1 (a) be appointed by the Board;
2 (b) be responsible to the Managing Director;
3 (c) keep the records and conduct the correspondence of the Board;
4 and
5 (d) perform such other duties as the Board or the Managing Director
6 may direct from time to time.

7 (2) The Board shall appoint such number of officers and other persons
8 as employees of the Mortgage Bank as may appear expedient and necessary to
9 the Board for the proper and efficient conduct of the business and functions of
10 the Mortgage Bank.

11 (3) The terms and conditions of service including remuneration,
12 allowances and other benefits of the Secretary and other employees of the
13 Mortgage Bank shall be as may be determined, from time to time, by the Board.

14 PART IV - CAPITAL OF THE MORTGAGE BANK

Capital of the
Mortgage Bank

15 **14.**-(1) The capital of the Mortgage Bank shall consist of equity and
16 loan capital.

17 (2) The authorised share capital of the Mortgage Bank shall be
18 N5,000,000,000 (Five billion Naira) which shall be divided into 5,000,000
19 shares of N1,000 each and shall be subscribed and paid for in the ratio of-

- 20 (a) fifty per cent by the Federal Government;
21 (b) thirty per cent by the Central Bank of Nigeria; and
22 (c) twenty per cent by the Nigeria Social Insurance Trust Fund.

23 (3) The Board may, with the prior approval of the Minister, increase
24 the authorised share capital and restructure the shareholding as it may deem fit.

25 (4) The loan capital of the Mortgage Bank shall be provided by the
26 Federal Government or any other shareholder in such amount and on such
27 terms as may be mutually agreed upon by the shareholders mentioned in sub-
28 clause (2) of this clause.

General reserve
of the Mortgage
Bank

29 **15.**-(1) Subject to the directives of the Central Bank of Nigeria, the
30 Mortgage Bank shall establish a general reserve fund to which shall be

1 allocated not less than five per cent of its net profit at the end of each
2 financial year.

3 (2) After any allocation has been made in accordance with
4 subclause (1) of this clause, a percentage of the net profits as shall be
5 recommended by the Board and approved by the Minister shall be applied to
6 the retirement of part of any loan granted to the Mortgage Bank by the
7 Federal Government or any other body.

8 (3) The balance of the net profits, if any, shall be paid to the
9 shareholders.

10 PART V - FINANCIAL PROVISIONS

11 16.-(1) The Mortgage Bank shall establish and maintain a fund Fund of the
12 from which shall be defrayed all expenditure incurred by the Mortgage Mortgage Bank
13 Bank.

14 (2) The fund established under sub-clause (1) of this clause shall
15 consist of-

16 (a) such sums as may, from time to time, be provided by the Federal
17 Government for the purpose of this clause by way of grant or loan or
18 otherwise;

19 (b) such sums as may be paid to the Mortgage Bank in the course of
20 its operations;

21 (c) all interests received in respect of moneys invested by the
22 Mortgage Bank;

23 (d) all moneys raised for the purpose of the Mortgage Bank by
24 ways of gifts, loans, grants-in-aid, testamentary disposition or otherwise;

25 (e) moneys borrowed from any source approved by the Board; and

26 (f) such other moneys as may, from time to time, accrue to the
27 Mortgage Bank.

28 17.-(1) The Mortgage Bank may, from time to time, apply the Expenditure of
29 proceeds of the fund established under sub-clause (1) of clause 16 of this the Mortgage
30 Act- Bank

- 1 (a) to the cost of administration of the Mortgage Bank;
- 2 (b) to the payment or reimbursement of the allowances and expenses
3 of the Chairman and members of the Board or any of its committees;
- 4 (c) to the payment of the salaries, fees or other remunerations,
5 allowances, pensions and gratuities payable to the officers and other
6 employees of the Mortgage Bank;
- 7 (d) for the maintenance of any property of the Mortgage Bank;
- 8 (e) to the payment of all expenses incurred on behalf of the Mortgage
9 Bank; and
- 10 (f) to and in connection with the performance of all or any of the
11 functions of the Mortgage Bank and the Board.

12 (2) Notwithstanding the provisions of sub-clause (1) of this clause,
13 the funds collected on behalf of the National Housing Trust Fund shall not be
14 used for purposes other than as provided under the National Housing Trust
15 Fund Act.

Separation
Account for
National Housing
Fund

16 **18.** Without prejudice to the provisions of sub-clause (1) of clause 16
17 of this Act, the Mortgage Bank shall maintain a separate account into which
18 shall be paid all contributions of the National Housing Trust Fund and from
19 which disbursements shall be made by it as an agent.

Power to accept
gift

20 **19.**-(1) The Mortgage Bank may accept gifts of land, money or other
21 property (whether within or outside Nigeria) upon such terms and conditions
22 (if any) as may be specified by the person or organisation making the gift.

23 (2) The Mortgage Bank shall not accept any gift if the conditions
24 attached to it by the person or organisation offering the gift are inconsistent
25 with the objectives or functions of the Mortgage Bank or the policy of the
26 Federal Government.

Borrowing
powers and loans

27 **20.**-(1) Without prejudice to paragraph (j) of clause 9 of this Act, the
28 Mortgage Bank may borrow by way of loan, overdraft or otherwise, on such
29 terms and conditions as the Mortgage Bank may determine, such sums as it

1 may require for the performance of its functions and meeting its obligations
2 under this Act.

3 (2) Notwithstanding the provisions of sub-clause (1) of this clause,
4 the Mortgage Bank shall not borrow from any source any money exceeding
5 its share capital unless with the approval of the Minister and the Central
6 Bank of Nigeria-

7 (a) secure the repayment of money borrowed by the Mortgage
8 Bank in such manner as the Mortgage Bank may think fit and, in particular,
9 by the issuance of debentures charged on all or any of its properties;

10 (b) purchase, redeem and pay up any of the securities mentioned in
11 paragraph (a) of this subclause;

12 (c) receive grants, loans and advances and other moneys on deposit
13 from the Federal Government, the Central Bank of Nigeria, Nigeria Social
14 Insurance Trust Fund, any licensed bank, primary mortgage institutions and
15 the general public under such conditions as may be approved by the
16 Minister.

17 21.-(1) The Board shall, for the period 1st January to 31st
18 December in each year, keep proper accounts of-

Accounts, etc.
of the Mortgage
Bank

19 (a) the revenue and expenditure of the Mortgage Bank;

20 (b) all deposits received and repaid and interests credited to
21 depositors;

22 (c) statement of assets and liabilities of the Mortgage Bank; and

23 (d) the collections made into and the disbursements from the
24 National Housing Trust Fund as a separate and distinct head in its accounts.

25 (2) The accounts of the Mortgage Bank kept under Sub-clause (1)
26 of this Clause shall-

27 (a) be audited within 6 months after the end of each year by
28 auditors appointed from the list of auditors and in accordance with the
29 guidelines supplied by the Auditor-General for the Federation;

	1	(b) be submitted to the Minister and the Central Bank of Nigeria; and
	2	(c) be published by the Mortgage Bank in not less than two selected
	3	national newspapers for general information.
Annual reports	4	22. -(1) The Mortgage Bank shall, not later than 30th day of June in
	5	each year, prepare and submit to the Minister and the Central Bank of Nigeria, a
	6	report on the activities of the Mortgage Bank during the preceding year and
	7	shall include in the report, a copy of the audited accounts of the Mortgage
	8	Bank for that year.
	9	(2) The Minister shall constitute a committee of expert and
	10	knowledgeable persons outside government, being person with qualification
	11	and cognate experience in housing finance and delivery, to evaluate the
	12	performance of the Mortgage Bank at least once in every two years.
Exemption from tax	13	23. -(1) The Mortgage Bank shall be exempted from the payment of
	14	income tax and the provisions of any enactment relating to taxation of
	15	companies or statutory corporations or levies or charges on business premises
	16	shall not apply to the Mortgage Bank.
	17	(2) Notwithstanding the provision of any Law or enactment on
	18	taxation, Stamp duties or levies the Mortgage Bank shall be exempted from
	19	payment of stamp duties, registration charges and all charges, levies or taxes
	20	on securities, hands, debt instruments and all instruments issued by it.
Procedure for suit against the Mortgage Bank, etc.	21	24. -(1) No suit against the Mortgage Bank, a member of the Board or
	22	any officer or employee of the Mortgage Bank for any act done or omitted to be
	23	done or any alleged neglect or default in pursuance or execution of the
	24	functions of the Mortgage Bank or in exercise of any powers pursuant to this
	25	Act or any other enactment or law, or of any public duty or authority shall lie or
	26	be instituted unless it is commenced within 12 months next after the act,
	27	omission, neglect or default complained of; or in the case of continuation of
	28	damage or injury, within 6 months next after the ceasing thereof.
	29	(2) No suit shall be commenced against the Mortgage Bank or any
	30	member of the Board, any officer or employee of the Mortgage Bank before the

1 expiration of a period of 30 days after written notice of intention to
 2 commence the suit shall have been served on the Mortgage Bank by the
 3 intending plaintiff or his agent and the notice shall clearly and explicitly
 4 state-

5 (a) the cause of action;

6 (b) the particular of claim;

7 (c) the name, place of abode of the intending plaintiffs; and

8 (d) the relief which it claim.

9 **25.** The notice referred to in clause 24 of this Act and other notice, Service of notices
 10 summons or other documents required or authorised to be served on the
 11 Mortgage Bank under the provisions of this Act or any other enactment or
 12 law may be served by delivering same to the Managing Director or by
 13 sending it by registered post addressed to the Managing Director at the head
 14 office of the Mortgage Bank.

15 **26.-(1)** In any action against the Mortgage Bank, no execution or Restriction of
execution against
the property of
the Mortgage
Bank
 16 attachment, or process in the nature thereof shall be issued against the
 17 Mortgage Bank unless a prior notice, of not less than 3 months of the
 18 intention to execute or attach has been given to the Mortgage Bank.

19 (2) Any sums of money which by the judgment of any court,
 20 awarded against the Mortgage Bank shall subject to any direction given by
 21 the court, be paid from the general reserve of the Mortgage Bank.

22 **27.** A member of the Board or any officer or employee of the Indemnity of
Officers
 23 Mortgage Bank shall be indemnified out of the assets of the Mortgage Bank
 24 against any liability incurred by him in defending any proceeding, whether
 25 civil or criminal, if the proceeding is brought against him in his capacity as a
 26 member of the Board, Managing Director, officer or employee of the
 27 Mortgage Bank.

28 **PART VII - MISCELLANEOUS PROVISIONS**

29 **28.** Subject to the approval of the Board and the Central Bank of Branches and
offices of the
Mortgage Bank
 30 Nigeria, the Mortgage Bank may open offices and branches in such parts of

1 Nigeria and outside Nigeria as the Board may decide and appoint agents and
2 correspondents in accordance with the decisions of the Board.

Power to make
regulations

3 **29.** The Board may, on the recommendation of the Mortgage Bank.
4 make regulations generally for the purposes of this Act or for giving effect to
5 the provisions of this Act and without prejudice to the generality of the
6 foregoing, the Board may make regulations with respect to any of the following
7 matters, that is-

8 (a) the granting of loans, advances and the making of deposits;

9 (b) with the approval of the Minister and subject to the Mortgage
10 Institutions Act the relationship between the Mortgage Bank and Primary
11 Mortgage Institutions in so far as it relates to the National Housing Trust Fund;

12 (c) the terms, conditions, rates of interest, fees or administrative
13 charges in respect of advances, credits, guarantees and any other transaction
14 which the Mortgage Bank may undertake, from time to time, except in so far as
15 it relates to the National Housing Trust Fund;

16 (d) the type of application, agreements and other materials necessary
17 for the control of the grant of advance, credits, guarantees and other
18 transactions which the Mortgage Bank may undertake, from time to time,
19 subject to the guidelines provided by the Central Bank of Nigeria;

20 (e) the securities that may be required for loans to be granted for
21 mortgages; and estate development.

22 (f) any other matter that may be incidental or supplemental to the
23 functions of the Mortgage Bank under this Act.

Repeal or 1993
No. 82

24 **30.** The Federal Mortgage Bank of Nigeria Act 1993 (in this Act
25 referred to as "the repealed enactment") is hereby repealed.

Transitional
Provisions

26 **31.**-(1) All assets, funds, resources and other movable or immovable
27 properties which immediately before the commencement of this Act were
28 vested in the Federal Mortgage Bank of Nigeria established under the repealed
29 enactment shall by virtue of this Act and without any further assurances, be
30 vested in the Mortgage Bank established under this Act-

1 (a) the rights, interests, obligations and liabilities of the Federal
2 Mortgage Bank of Nigeria, established under the repealed enactment under
3 any contract or instrument or at law or in equity are hereby, by virtue of this
4 Act and without further assurance assigned to and vested in the Mortgage
5 Bank established under this Act: and

6 (b) any contract or instrument mentioned in paragraph (a) of this
7 sub-clause shall be of the same force and effect against or in favour of the
8 Mortgage Bank established under this Act, and shall be enforceable as fully
9 and as effectively as if it were entered into or the liability were incurred or
10 the right acquired by the Mortgage Bank established under this Act.

11 (3) The Mortgage Bank established under this Act shall be subject
12 to all obligations and liabilities to which the Federal Mortgage Bank of
13 Nigeria existing immediately before the commencement of this Act was
14 subject and all other persons shall, as from the commencement of this Act
15 have the same rights, powers and remedies against the Mortgage Bank
16 established under this Act as they had against the Federal Mortgage Bank of
17 Nigeria existing immediately before the commencement of this Act.

18 (4) Any proceeding or cause of action pending or existing
19 immediately before the commencement of this Act by or against the Federal
20 Mortgage Bank of Nigeria existing immediately before the commencement
21 of this Act for any obligation or liability may be continued or commenced as
22 the case may be, by or against the Mortgage Bank established under this Act.

23 (5) A determination of any court, tribunal or other authority or
24 person made in a proceeding or cause of action referred to in sub-clause (4)
25 of this Clause may be enforced by or against the Mortgage Bank established
26 under this Act to the same extent that the proceedings, cause of action or
27 determination could have been continued, commenced or enforced by or
28 against the Federal Mortgage Bank of Nigeria established under the
29 repealed enactment as if this Act had not been made.

30 (6) Notwithstanding the repeal of the enactment referred to in

1 clause 30 of this Act, if the Board thinks it expedient that any vacancy in the
2 Mortgage Bank should be filled by a person holding office at the
3 commencement of this Act, the Board shall transfer such person to the
4 Mortgage Bank and previous service in the Mortgage Bank by the person shall
5 count as service for the purpose of any pensions subsequently payable by the
6 Mortgage Bank.

7 (7) Any regulations, orders, bye-laws or notices made or issued or
8 deemed to be made or issued by or for the purposes of the Federal Mortgage
9 Bank of Nigeria existing immediately before the commencement of this Act,
10 shall be deemed to be made or issued by or for the purposes of the Mortgage
11 Bank established under this Act and shall continue in force until revoked or
12 amended, subject to such modifications as may be applicable to the Mortgage
13 Bank established under this Act.

14 (8) The Minister may, if he thinks fit within 12 months after the
15 commencement of this Act, by Order published in the Federal Gazette make
16 additional transitional or saving provisions for the better carrying out of the
17 objectives of this clause.

Interpretation

18 **31.** In this Act, unless the context otherwise requires-
19 "Board" means the Board of Directors of the Mortgage Bank constituted under
20 clause 2 of this Act;
21 *1991 No 24.*
22 "Central Bank of Nigeria" means the Central Bank of Nigeria established
23 under the Central Bank of Nigeria Act 1991;
24 "Chairman" means the Chairman of the Board;
25 *1991 No. 25.*
26 "financial institutions" and "licensed banks" have the meaning assigned to
27 them under the Banks and Other Financial Institutions Act 1991;
28 "Managing Director" means the employee of the Mortgage Bank appointed as
29 such under this Act;
30 "Minister" means the Minister charged with responsibility for matters relating

1 to housing and urban development;
2 "Mortgage Bank" means the Federal Mortgage Bank of Nigeria established
3 under Clause 1 of this Act;
4 "mortgage business" means activities for the mobilization of savings and the
5 granting of loans for the purpose of developing houses and includes primary
6 mortgage and secondary mortgage functions;
7 "primary mortgage institution" means any company duly licensed by the
8 Central Bank of Nigeria and whose principal business is the advancing of
9 money on the security or a mortgage;
10 "Secretary" means Secretary to the Board appointed under Clause 13 of this
11 Act.

12 **32.** This Bill may be cited as the Federal Mortgage Bank of Short Title
13 Nigeria Bill, 2017.

14 SCHEDULE

15 *Clause 4 (2)*

16 SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD, ETC.

17 *Proceedings of the Board (Cap. 192 LPN).*

18 1. Subject to this Act and clause 27 or the Interpretation Act. the
19 Board shall have powers to regulate its proceedings and may make standing
20 orders with respect to the holding of its meetings, and those of its
21 committees, notices to be given, the keeping of minutes of its proceedings,
22 the custody and production for inspection of such minutes and such other
23 matters as the Board may, from time to time, determine.

24 2.-(1) There shall be at least four ordinary meetings of the Board in
25 every calendar year and subject thereto, the Board shall meet whenever it is
26 convened by the Chairman, and if the Chairman is requested to do so by
27 notice given to him by not less than five other members he shall convene a
28 meeting of the Board to be held within 14 days from the date on which the
29 notice was given.

30 (2) Every meeting of the Board shall be presided over by the

1 Chairman and if the Chairman is unable to attend a particular meeting the
2 members present at the meeting shall elect one of their numbers to preside at
3 the meeting.

4 3. The quorum of any meeting of the Board shall consist or the
5 Chairman (or in an appropriate case, the person presiding at the meeting
6 pursuant to paragraph 2 of this Schedule) and eight other members.

7 4. The Board shall meet for the conduct of its business at such places
8 and on such days as the Chairman may appoint.

9 5. A question put before the Board at a meeting shall be decided by
10 consensus and where this is not possible, by a simple majority of the votes of
11 the members present and voting.

12 6. The Chairman shall in the case of an equality of votes, have a
13 casting vote In addition to his deliberative vote.

14 7. Where the Board seeks the advice of any person on a particular
15 matter, the Board may invite that person to attend for such period as it thinks fit,
16 but a person who is invited by virtue of this paragraph shall not be entitled to
17 vote at any meeting of the Board and shall not count towards the quorum.

18 8. The Board may appoint one or more committees to carry out on
19 behalf of the Board such of its functions as the Board may determine and report
20 on any matter with which the Board is concerned.

21 9. A committee appointed under paragraph 8 of this Schedule shall be
22 presided over by a member of the Board and consist of such number of persons
23 (not necessarily all members of the Board) as may be determined by the Board,
24 and a person other than a member of the Board shall hold office on the
25 committee in accordance with the terms of his appointment.

26 10. A decision of a committee of the Board shall be of no effect until it
27 is confirmed by the Board.

28 *Miscellaneous*

29 11. The fixing of the seal of the Mortgage Bank shall be authenticated
30 by the signature of the Managing Director and the Secretary to the Board.

1 12. A contract or an instrument which, if made or executed by any
2 person not being a body corporate, would not be required to be under seal,
3 may be made or executed on behalf of the Mortgage Bank by the Managing
4 Director or by any person generally or specifically authorised to act for that
5 purpose by the Board or the Managing Director.

6 13. A document purporting to be a contract an instrument or
7 document signed or sealed on behalf of the Mortgage Bank shall be received
8 in evidence and, unless the contrary is proved, be presumed without further
9 proof, to have been properly signed or sealed.

10 14. The validity of any proceedings of the Board or its committees
11 shall not be affected by-

12 (a) any vacancy in the membership of the Board or its committees;

13 (b) reason that a person not entitled to do so took part in the
14 proceedings; or

15 15. Any member of the Board or committee thereof who has a
16 personal interest in any contract or arrangement entered into or proposed to
17 be considered by the Mortgage Bank or the Board or any committee thereof-

18 (a) shall make a prior written disclosure of his interest to the Board
19 or Committee;

20 (b) shall not participate in the deliberation relating to the contract
21 or arrangement; and

22 (c) shall not vote on any question relating to the contract or
23 arrangement.

24 16. Notwithstanding anything contained in this Act. a resolution in
25 writing circulated to all the members of the Board and signed by not less
26 than nine members shall be as effective for all purposes as a resolution
27 passed at a meeting of the Board duly convened and held.

EXPLANATORY MEMORANDUM

The Bill seeks to-

- (a) repeal the Federal Mortgage Bank of Nigeria Act 1993;
- (b) re-enact the Federal Mortgage Bank of Nigeria Act 2004; and
- (c) make provisions for the re-organisation of the functions and activities of the Federal Mortgage Bank of Nigeria as a secondary Mortgage Institution to make it more proactive and capable of handling funds received on behalf of the National Housing Trust Fund and regulating the activities of the Primary Mortgage Institutions in Nigeria with respect to the NHF.