



## Housing Finance Development Program (P131973)

AFRICA | Nigeria | Finance, Competitiveness and Innovation Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 9 | ARCHIVED on 14-Feb-2018 | ISR31390 |

Implementing Agencies: Central Bank of Nigeria, Federal Ministry of Finance of Nigeria, Nigeria Mortgage Refinance Company

### Key Dates

#### Key Project Dates

Bank Approval Date:26-Sep-2013

Effectiveness Date:05-Mar-2014

Planned Mid Term Review Date:21-Sep-2016

Actual Mid-Term Review Date:21-Sep-2016

Original Closing Date:31-Dec-2018

Revised Closing Date:31-Dec-2018

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to increase access to housing finance by deepening primary and secondary mortgage markets in the Federal Republic of Nigeria.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

1. Mortgage Refinance Company:(Cost \$250.00 M)

2. Mortgage Guarantee:(Cost \$25.00 M)

3. Housing Microfinance:(Cost \$15.00 M)

4. Technical Assistance and Capacity Building:(Cost \$10.00 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● High	● High



## Implementation Status and Key Decisions

The **Nigeria Mortgage Refinance Company (NMRC)** came into existence in June 2013, and obtained its full license from the Central Bank of Nigeria in February 2015. It has 22 investors who have committed around US\$35 million in share equity to establishing NMRC. Overall private sector shareholders are in the majority with 60% of the equity. NMRC has made significant efforts to develop the housing finance market and developed in particular common underwriting standards. It has identified an initial portfolio of loans for refinance, against which it issued a bond of around US\$40 million in July 2015. The bond was very well received by investors which included pension funds, insurance companies and banks. NMRC now has a Medium Term Note Program in place and is able to issue bonds as and when needed. NMRC is currently preparing a second bond issuance which should be completed in early 2018.

The CBN selected eight microfinance banks (MFBs) to take part in the **housing microfinance pilot**, with tailored technical assistance aimed at supporting the MFBs in designing and rolling out formal housing microfinance products. Technical assistance is ongoing and selected MFBs will be able to access a Housing Microfinance Line of Credit administered by the CBN and funded by the Project.

The feasibility study for the **mortgage guarantee product for low income households** should be launched in early 2018.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● High	● High
Macroeconomic	--	● High	● High
Sector Strategies and Policies	--	● Substantial	● Substantial
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● High	● High
Fiduciary	--	● Substantial	● Substantial
Environment and Social	--	● Moderate	● Moderate
Stakeholders	--	● High	● High
Other	--	--	--
Overall	--	● High	● High

## Results

### Project Development Objective Indicators

► Number of new mortgage loans provided (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4,200.00	3,536.00	3,536.00	50,000.00



Date	31-Dec-2013	31-Dec-2016	31-Dec-2016	31-Dec-2018
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**Comments**

The CBN Project Administration Team is working on generating the required information as of Dec. 2017.

► Number of new mortgages below NGN5 million (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1,050.00	500.00	500.00	7,500.00
Date	31-Dec-2013	31-Dec-2016	31-Dec-2016	31-Dec-2018

**Comments**

The CBN Project Administration Team is working on generating the required information as of Dec. 2017.

► Proportion of mortgage debt outstanding refinanced by NMRC (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.69	4.69	20.00
Date	31-Dec-2013	31-Dec-2016	31-Dec-2016	31-Dec-2018

**Comments**

NMRC issued its first N. 8 billion bond in mid-2015 (and refinanced the same amount of mortgages). NMRC has not yet been able to issue a second bond. NMRC is planning to issue a traditional bond and a sukuk bond (and refinance mortgages by the same amounts) by end February 2018.

The CBN Project Administration Team is working on generating the required information as of Dec. 2017 (total outstanding mortgages, in volume, as of Dec. 2017).

**Overall Comments**



### Intermediate Results Indicators

#### ► Portfolio at risk for housing microfinance (HMF) pilot (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.50
Date	31-Dec-2013	30-Jun-2017	31-Dec-2017	31-Dec-2018

#### Comments

Technical assistance on Housing Microfinance to selected Microfinance Banks (MFB) is ongoing. CBN expects to initiate the disbursement of the Housing Microfinance Line of Credit to selected MFBs by March 2018.

#### ► NMRC Efficiency Indicator - Cost to Income Ratio (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	57.00	53.00	42.00
Date	31-Dec-2013	31-Dec-2016	31-Dec-2017	31-Dec-2018

#### ► NMRC New Bond issuance volume (years 3 - 5 are without sovereign guarantee) Billion Nigerian Naira (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.00	50.00
Date	31-Dec-2013	30-Jun-2017	31-Dec-2017	31-Dec-2018

#### Comments

NMRC issued its first N. 8 billion bond in mid-2015 (and refinanced the same amount of mortgages). NMRC has not yet been able to issue a second bond. NMRC is planning to issue a traditional bond and a sukuk bond (and refinance mortgages by the same amounts) by end February 2018.



► Number of Guarantees (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	900.00
Date	31-Dec-2013	30-Jun-2017	31-Dec-2017	31-Dec-2018

Comments

The initial consultant selected to undertake the feasibility study for the mortgage guarantee product did not manage to complete the assignment. The CBN decided to hire a firm on a single source basis to undertake the feasibility study. The signature of the contract is pending CBN Senior Management approval. Under these circumstances, it is highly unlikely that the mortgage guarantee product will be formally launched by the closing date of the project (December 2018).

► 3 - 5 pilot MFBs develop/adapt/adopt housing Microfinance loan products, access project credit line and establish first cycle of micro financing lending programs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	31-Dec-2013	30-Jun-2017	31-Dec-2017	31-Dec-2018

Comments

Technical assistance on Housing Microfinance to selected Microfinance Banks (MFB) is ongoing. CBN expects to initiate the disbursement of the Housing Microfinance Line of Credit to selected MFBs by March 2018.

► Number of HMF loans disbursed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2,860.00
Date	31-Dec-2013	30-Jun-2017	31-Dec-2017	31-Dec-2018

Comments

Technical assistance on Housing Microfinance to selected Microfinance Banks (MFB) is ongoing. CBN expects to initiate the disbursement of the Housing Microfinance Line of Credit to selected MFBs by March 2018.



► Volume (USD) of HFM loans disbursed (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	31-Dec-2013	30-Jun-2017	31-Dec-2017	31-Dec-2018


Comments

Technical assistance on Housing Microfinance to selected Microfinance Banks (MFB) is ongoing. CBN expects to initiate the disbursement of the Housing Microfinance Line of Credit to selected MFBs by March 2018.

Overall Comments

## Data on Financial Performance

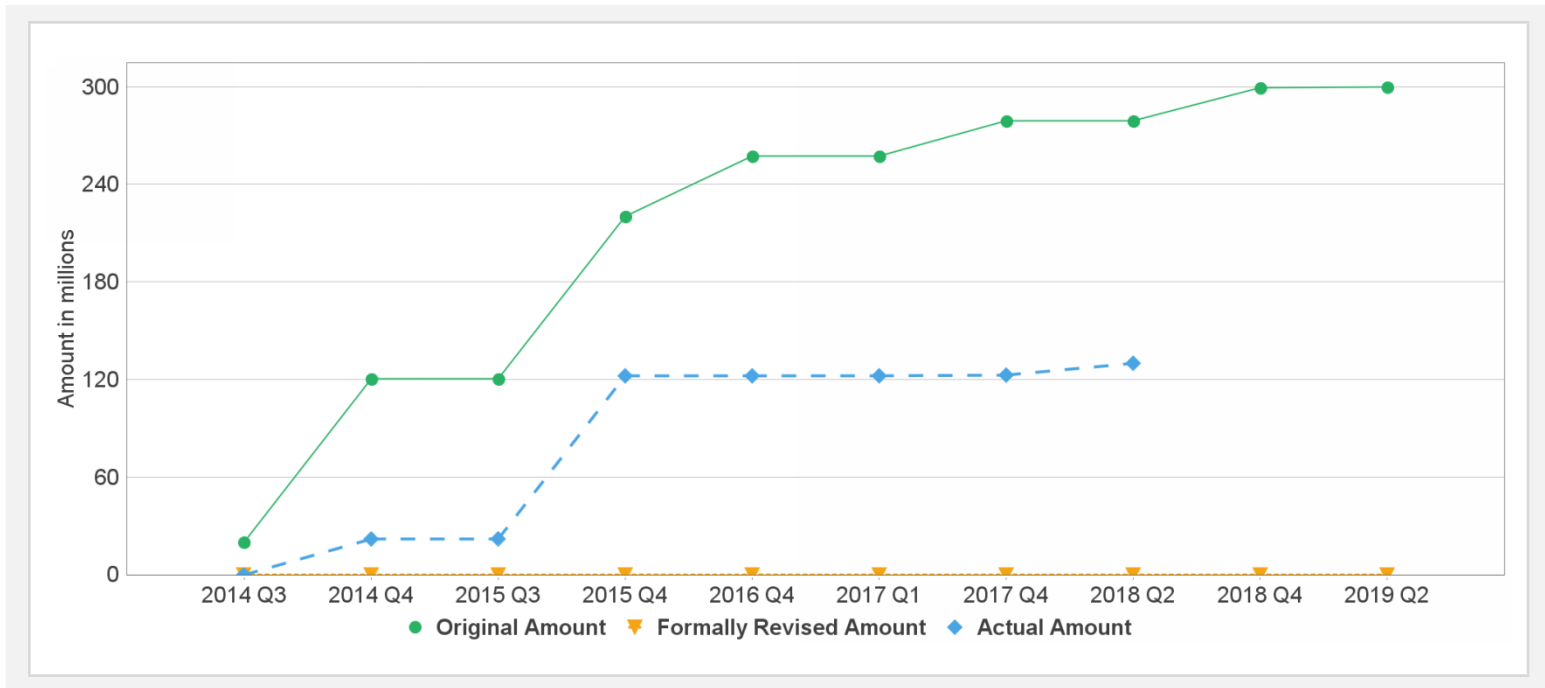
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P131973	IDA-52920	Effective	USD	300.00	300.00	0.00	130.13	152.23	 46%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P131973	IDA-52920	Effective	26-Sep-2013	18-Dec-2013	05-Mar-2014	31-Dec-2018	31-Dec-2018

### Cumulative Disbursements



## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.