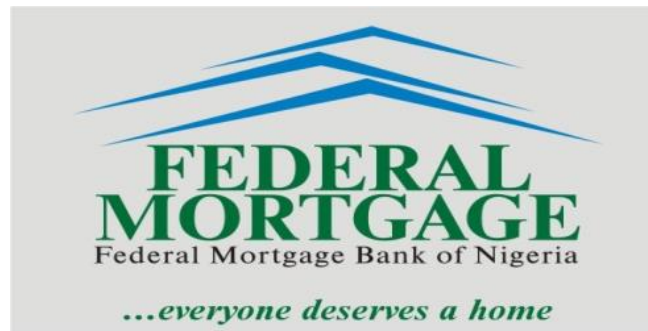

SERVICE LEVEL AGREEMENT



OCTOBER 4, 2017
FEDERAL MORTGAGE BANK OF NIGERIA

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SERVICE LEVEL AGREEMENT

GENERAL INFORMATION ABOUT THE NHF SCHEME

All Nigerians in employment, whether self-employed or in paid employment, are required by the NHF Act Nos. 3 of 1992 to contribute 2.5% of their basic salary/income to the National Housing Fund (NHF).

PROCEDURE

- i. Federal Mortgage Bank of Nigeria (FMBN) will supply Employer Registration Form (NHF1) to employers.
- ii. Employers will complete form (NHF1) and return to the nearest branch of FMBN.
- iii. FMBN will register the Employer and issue an employer's registration number.
- iv. FMBN will issue NHF2 form to employers for completion by employees or directly to self-employed individual.
- v. The employer or self-employed individuals will return completed form NHF2 to Federal Mortgage Bank of Nigeria.
- vi. FMBN will register employees on Form NHF2 and allocate Employees Participation Number to each employee/self-employed individual.
- vii. FMBN will issue a passbook to each of the registered employees where the monthly deduction of his/her 2.5% basic salary will be posted by the employer.
- viii. Employer will commence deduction of contributions at source. Such deductions/contributions are remitted to FMBN with schedule of payment indicating the amount contributed by each employee and the period covered.
- ix. Self-employed contributors will also commence monthly remittances of contributions to FMBN.

PRODUCT:**NHF LOAN**

| S/N | TERMS & CONDITIONS | DOCUMENTATION REQUIRED | FEES | TIMELINE |
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| <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p> | <p>The loan is for residential housing only, at an interest rate of 6% p.a. (on annuity basis) and for a tenor not exceeding 30 Years subject to Birth Age or Years in Service.</p> <p>A Primary Mortgage Bank (PMB) must have been licensed by the Central Bank of Nigeria (CBN) and accredited by FMBN before it can apply for loan on behalf of NHF Contributors. It should also have clearance Certificate to access the NHF by CBN.</p> <p>The NHF loan to PMBs is limited to 50% of its current Shareholders fund per transaction.</p> <p>The loan is lent to PMBs at 4% per annum payable monthly on annuity basis, irrespective of whether or not the mortgagor is making payments.</p> <p>Not more than 1/3 of applicant's income shall be committed to loan affordability and repayment.</p> | <p>a) Board resolution to borrow, which shall be signed by the MD/CEO and the Company Secretary.</p> <p>b) Evidence of last remittance (payment) of NHF deduction to Federal Mortgage Bank of Nigeria.</p> <p>c) Collaborating Developer (where houses to be mortgaged are procured from Estate financed by FMBN and evidence in writing of confirmation by the Developer to collaborate.</p> <p>d) Undertaking to totally disburse all monies received to the contributor – beneficiary – mortgagor(s).</p> <p>e) An undertaking that no additional charges shall be imposed on the contributor /mortgagors except those already agreed upon between FMBN and MBAN.</p> <p>f) An undertaking to provide beneficiaries Tax clearance for 3</p> | <p>The following Non-Refundable Fees shall be made on submission of the application:</p> <p>1. Accreditation Fee N350, 000.00</p> <p>2. Application fee N5, 000.00 Per application form (maximum of 10 applicants).</p> <p>3. Legal Search fee N10, 000.00 Per applicant.</p> <p>4. Payment of N1, 000.00 processing fees per applicant.</p> | <p>Four (4) months from the date of the receipt of application from the PMB subject to meeting all conditions precedent to disbursement.</p> |

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| <p>7.</p> <p>8.</p> | <p>Maximum loan ceiling is currently N15m subject to affordability.</p> <p>The Bank finances a maximum loan-to-value (LTV) ration of 90% (N1m – N5m); 80% (N5m – N10m); or 70% (N10m – N15m).</p> <p>The borrower shall have legally acceptable title over the property to be mortgaged. Legally acceptable titles are:</p> <ul style="list-style-type: none"> i. Certificate of Occupancy duly registered; ii. Deed of Assignment duly stamped and registered; iii. Deed of Lease/sublease duly stamped and registered; iv. Deed of Gift/Transfer/Conveyance duly registered. | <p>Years at the time of perfection of Title.</p> <ul style="list-style-type: none"> g) An undertaking to indemnify FMBN against any false existence of applicants and information provided. h) Applicants per batch must not exceed 10 persons. i) All documents relating to the application must be scanned and save into a disk for upload into FMBN system. j) Letters of offer and acceptance (outright purchase). k) A copy of FMBN contribution passbook with deductions till date. l) A copy of birth certificate or statutory declaration of age. m) Certified Priced Bill of Quantities in case of new construction. n) Provision of applicants BVN numbers. | | |
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| 5. | | <p>The following documents are expected to be attached to the individual applications:</p> <ol style="list-style-type: none"> i. Photocopy of completed application form and two passport photographs. ii. Photocopy of title document iii. Approved Building and layout plans. iv. Valuation report from a registered Estate Valuer. v. Three Months' pay slip preceding date of application (public sector) or Six Months Statement of Account for (self-employed/ private sector only). <ol style="list-style-type: none"> 1. Deed of Legal Mortgage (fund Mortgage) between the loan beneficiary and the Primary Mortgage Bank. 2. Deed of Assignment between the Primary Mortgage Bank and FMBN 3. Sales and Administration Agreement <ol style="list-style-type: none"> 1. Up to date Financial Account of the Financial Institution | | |
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| | <p>Security For The Loan</p> <p>a) The Fund Mortgage: The security for NHF loan is the property for which the loan is applied.</p> <p>b) Interim Security to secure Disbursement</p> <ul style="list-style-type: none"> i. Bank Guarantee ii. Insurance Bond | <ul style="list-style-type: none"> 2. Evidence of compliance with the NHF Act 3. Evidence of the payment of Application fees at the concerned Land Registry 4. Final Allocation letters or General undertaking by the Developer to issue the final allocation letters <p>Provide the documentation required under (iii) (where applicable).</p> <p><u>FOR FMBN FUNDED ESTATE</u></p> <ul style="list-style-type: none"> 1. Accepted FMBN Letter of Offer 2. Executed Deeds of Legal Mortgage 3. Final allocation letters/executed subleases 4. Evidence of the payment of Registration fee by Developer 5. Survey plan 6. Letter of Notification to Land Registry of FMBN’s interest 7. Application for Governor’s consent 8. Perfection fee 9. Executed documents necessary to process title at the land Registries 10. Undertaking by the Developer not to re-allocate the property 11. Evidence of the payment of Developer’s Registration fee with IRO. | | |
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| | <p>iii. Block of existing mortgages</p> <p>(This is acceptable on the condition that the documentation required under (iv) below are met).</p> <p>iv. Internal Records Security Window</p> | <p><u>FOR NON –FUNDED ESTATES</u></p> <ol style="list-style-type: none"> 1. Accepted FMBN offer letter 2. Executed Deeds of Legal Mortgage 3. Provisional/Final Allocation letter or Executed sub-leases 4. Evidence of the payment of Developers’ Registration fee 5. Applicants’ Survey Plans 6. Letter of Notification of FMBN’s interest to the concerned Land Registries 7. Application for Governor’s Consent 8. Perfection Fee with IRO 9. Developer’s executed undertaking to provide all necessary documents required to perfect the title. | | |
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PRODUCT: HOME RENOVATION LOAN

| S/N | TERMS & CONDITIONS | DOCUMENTATION REQUIRED | FEES | TIMELINE |
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| <ol style="list-style-type: none"> 1. 2. 3. | <p>The applicant shall be contributor to the NHF.</p> <p>The maximum loan amount shall be N1million, subject to the income limit of the beneficiary as well as the ultimate cost of renovation</p> <p>Applicant will apply through the Federal Housing Board in the case of the Federal Civil Servants and through the Office of the Head of Service of the</p> | <ol style="list-style-type: none"> i. Copy of application form for the Loan. ii. Amortization Schedule (with the appropriate). iii. Satisfactory credit checking done. iv. Offer letter properly executed. v. All Letters of Undertaking /confirmation properly executed. | None | <p>Three (3) months from the date of the receipt of application from the applicant subject to meeting all conditions and documentation requirements stated herein.</p> |

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| <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8.</p> <p>9.</p> | <p>State or any other relevant authority recognized by the Bank (in the case of civil servants) and employees of the organized private sector.</p> <p>Approved loan amounts shall be disbursed in lump sum to the Federal Housing Board (in the case of Federal civil servants) and directly to the account of beneficiaries in the case of state civil servants and employees of the organized private sector, after acceptance of offer and the fulfillment of conditions precedent to draw-down.</p> <p>The loan tenor shall be a maximum of 4 years or employee’s remaining years of service, whichever is less.</p> <p>Repayment of the loan shall be through monthly repayment for a tenor not exceeding 4 years, via direct deductions by the FHB and the respective Head of Service/Accountant General’s office of the states or other relevant authority recognized by the Bank for private sector employees.</p> <p>Monthly repayment shall not exceed 33 1/3 percent of applicant’s monthly salary/income.</p> <p>Interest rate shall be 8 percent for the duration of the loan for FGHLB and 6 percent for State Governments.</p> <p>T</p> <p>The facility shall not be available to any contributor who has enjoyed an NHF loan to build or buy a house.</p> | <p>vi. Evidence of up to date remittance of NHF contribution by the Applicants.</p> <p>vii. Proof of Beneficiaries up to date NHF Contribution.</p> <p>viii. Guarantor Form Appropriately</p> <p>ix. Applications are to be submitted with certified Bills of Quantities, indicating the amount required for the renovation.</p> | | |
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| <p>10.</p> <p>11.</p> | <p>The facility can be taken jointly by a couple, subject to an income assessment of both parties.</p> <p>The loan can only be taken once in 5 years.</p> | | | |
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| PRODUCT: | | ESTATE DEVELOPMENT/MPHS LOAN | | |
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| S/N | TERMS & CONDITIONS | DOCUMENTATION REQUIRED | FEES | TIMELINE |
| 1. | The loan is for residential housing estate development only, at an interest rate of 10% p.a (on annuity basis) and for a tenor not exceeding 24 months subject to revision. | <p>The following documents should be submitted with the loan application package:</p> <ul style="list-style-type: none"> i. Certificate of incorporation of the Company. ii. Certified true copies of Memorandum and Articles of Association of the company together with Forms C02 and C07 attached. iii. Authorized Signatories Mandate with their passport photographs and signature specimen. iv. Detailed Profile of the Company. v. Audited Annual Accounts with the signature, seal and certification stamp of the Auditors, for the previous three (3) Years. vi. A financial projection to suit the proposed financial arrangement on the project. The projection must include developer's equity participation on the project at the present rate of 10% p.a. | <p>The following NON-REFUNDABLE FEES shall be made on submission of the application:</p> <ul style="list-style-type: none"> 1. Accreditation fee: N200, 000.00 2. Application fee: N20, 000.00 (twenty thousand naira only) for applications below N50 million and a multiple of N20, 000.00 on every further N50 million. 3. Legal Search fee: N120,000.00 | <p>Four (4) months from the date of the receipt of application from the Developer subject to meeting all conditions precedent to disbursement.</p> |
| 2. | Developer is expected to bear 15% of the construction cost of the housing as equity contribution subject to verification. | | | |
| 3. | The Bank finances Infrastructural facilities (up to 70% for private developers only), while Housing Corporations and government owned development projects are to provide 100% infrastructure. A Developer is expected to submit a financial plan and a budget for the provision of infrastructure in the housing estate. | | | |
| 4. | Housing units under the proposed project must fall within the target price not more than N15million so that they can be affordable to NHF contributors/ buyers within the range of low- to medium income earners. These units shall be in line with specified building plans by FMBN. Units falling outside the target price will not be financed by the Bank. | | | |
| 5. | Certificate of Incorporation from Corporate Affairs Commission | | | |
| 6. | Accreditation by FMBN | | | |

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| 7. | Contribution to the National Housing Fund | vii. Photocopy of Tax Clearance Certificate of the organization for recent three years. | | |
| 8. | Must be a member of Real Estate Development Association of Nigeria (REDAN) | viii. Photocopy of registered title document on the land for the proposed project. (Note: For land in the FCT, original registered title document is required). | | |
| 9. | The proposed estate must have good/ registrable title. | ix. Approved building plans, site layout plans in duplicate. In addition to the drawings, the developer should submit details specifications of building elements (in triplicate). | | |
| 10. | Security for the EDL shall be C of O or R of O and an additional security having a value of at least the 1st tranche of the loan amount. | x. The Company's Board Resolution to borrow signed by the Chairman and Company Secretary | | |
| 11. | The developer shall provide evidence of previous projects executed which includes; I) Letters of contract award of projects executed. ii) Handover letters by the developer (contractor). iii) Certificates of job completion/handing over certificates. | xi. Priced Bill of Quantities (BOQ), signed by a registered Quantity Surveyor, giving detailed cost estimate on the housing construction and infrastructure inclusive of Schedule of Labour Rates and Schedule of Basic Prices. (All Schedules to be sent in triplicate). | | |
| 12. | Disbursement tranches on approved facilities are to be on ratio 30:30:30:10 (4 tranches for housing units). & 30:40:30 (3 tranches for infrastructure). However, this is subject to amendment by Management from time to time without prior notice. | xii. Evidence of at least 50% off-takers of the proposed project. | | |
| 13. | Financing of infrastructure, if approved under the facility, shall be disbursed as a separate tranche and shall be monitored for appropriate utilization | | | |

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| <p>14.</p> <p>15.</p> <p>16.</p> <p>17.</p> <p>18.</p> | <p>before the next disbursement, depending on the approved work/project flowchart/decision tree.</p> <p>Disbursement on each tranche in (12) above shall be applied to complete an agreed number of units of the development, instead of such disbursement being thinly applied to the entire development.</p> <p>Full compliance of (14) above shall be a condition precedent to draw-down of next tranches. Where this condition is breached, the entire disbursed facility at that stage will be called up.</p> <p>In addition, disbursement after full compliance with (14) above will be allowed upon provision of evidence/proof of sale of at least 75% of the completed units. This shall be proof of outright sale or evidence that potential subscribers have obtained an in-principle mortgage approval from a financial institution (Bank and/or PMB).</p> <p>Where (16) above is not complied with, further disbursement shall be withheld until this condition is satisfied.</p> <p>Each of the tranches shall be evidenced by a Project Consultant certification indicating that the development has been undertaken in line with specifications before further disbursements.</p> | <p>xiii. Feasibility and Viability Appraisal Report.</p> <p>xiv. Cash Flow Projection stating the current interest rate of 10% for the loan as well as proposed periodic repayment.</p> <p>xv. Project Work Program/Plan.</p> <p>xvi. Project Quality Management Plan, prepared by a registered builder.</p> <p>xvii. Project Health and Safety plan prepared by a registered Builder.</p> <p>xviii. Detailed /Budgeted Cost and source of fund for the estate infrastructure and amenity facilities</p> <p>xix. Letter of marketing commitment from a Primary Mortgage Bank (PMB) to be responsible for the disposal of the houses to the NHF Contributions/allotees.</p> <p>xx. Evidence of registration with the National Housing Fund as an employer and up to date remittance of employees' contribution to the Fund.</p> <p>xxi. Evidence of membership of the Real Estate Development Association of Nigeria (REDAN) and financial contributions.</p> | | |
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| | | <p>xxii. A viable facility management for the proposed estate and programme for its sustainability.</p> <p>xxiii. Developers Proposed Selling Price of the housing types.</p> <p>xxiv. Evidence of settlement of compensation by Federal & States Government Housing Corporations & private developers, this may include receipt of payment of compensation or memorandum of understanding with host community.</p> <p>xxv. Four recent passport photographs of all Directors of the Company.</p> <p>xxvi. Photocopies of the personal data pages of International Passports of all the Directors of the Company or photocopies of National Identity Cards of Directors of the Company.</p> <p>xvii. Office and residential addresses of Directors of the Company.</p> <p>xviii. Provision of receipts of Directors of the Company for payment of utility services for three (3) months preceding the loan application.</p> | | |
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| | | xxix. Any other relevant information that may facilitate quick consideration of the loan. | | |
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SERVICE:**NHF REFUND**

| S/N | TERMS & CONDITIONS | DOCUMENTATION REQUIRED | FEES | TIMELINE |
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| 1. | <p>Refund of NHF Contributions is made to a contributor who</p> <ul style="list-style-type: none"> i. Has attained the age of 60 years or has put in 35 years in service. ii. Has obtained a loan, liquidated the loan and has attained the age of 60 years or have put in 35 years in service. iii. Has retired from employment and becomes incapable of continuing the contribution to the Fund. iv. In the case of a deceased contributor, refund is made to the next-of-kin. | <ul style="list-style-type: none"> i. Application letter requesting for refund of contribution. ii. Letter of offer of appointment. iii. Photocopy of retirement letter. iv. Letter of introduction from former Employer. v. Birth certificate or Declaration of age certificate. vi. Completed NHF Contribution withdrawal forms to be supplied by FMBN. vii. NHF passbook. viii. Bank account details through which refund would be paid. ix. Medical Report of incapability to continue contributions due to failing health. x. Letter of administration & Death Certificate (in case of a Deceased contributor). xi. Evidence of contribution (Receipt) for self-employed contributor. | None | <p>90 days from the date of the receipt of application by the Bank subject to meeting all conditions and documentation requirements stated herein.</p> |

PRODUCT: COOPERATIVE DEVELOPMENT HOUSING LOAN (CDHL)

| S/N | TERMS & CONDITIONS | DOCUMENTATION REQUIRED | FEES | TIMELINE |
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| <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8.</p> | <p>The Co-operative society must be registered with the Registrar of Cooperatives in charge of the area within which it is domiciled. The society must be registered with the National Housing Fund Scheme and shall be responsible for remitting the contributions of its members.</p> <p>The cooperative society must be accredited by the Bank.</p> <p>The cooperative society must have been in existence for a minimum period of 12 months during which membership dues paid by members have been consistent.</p> <p>The proposed estate must have good title that can be assigned to individual allottees/ purchasers of the housing units therein.</p> <p>The tenor of the loan shall be 24 months with a moratorium period of 12 months.</p> <p>The loan will be disbursed to a cooperative society at an interest rate of 10%.</p> <p>The Cooperative Society shall identify a PMB with which it will collaborate for the purpose of securing a CHDL</p> | <p>The Cooperative Society shall submit a Co-operative Housing Development loan application to FMBN accompanied by the following:</p> <ul style="list-style-type: none"> i. Certificate of Registration as a Cooperative Society. ii. Any other relevant information that may facilitate quick consideration of the loan. iii. Approved Building and Site Layout Plans Priced Bill of Quantities signed and stamped by a registered quantity surveyor. iv. Project Work Program/Plan v. Feasibility report /appraisal of the project. Technical Team if different from Board of Directors/Trustees. Proposed Selling Price of the housing units. vi. Up-to-date NHF remittance schedule of co-operators. vii. List of Board of Trustees /Directors of the Cooperative (full names, position, educational qualification, business and residential addresses, occupation, | <p>i) Processing Fee: N20, 000.00 per application.</p> <p>ii) Application fee of N20, 000.00 (twenty thousand naira only) for applications below N50 million and a multiple of N20, 000.00 on every further N50 million. (Non-Refundable).</p> <p>iii) Legal Search fee: N20, 000.00 per application.</p> <p>iv) Service Charge of 0.25% of the amount / installment released by FMBN.</p> <p>v) Accreditation fee & Certificate: N 20,000.00</p> | <p>Four (4) months from the date of the receipt of application subject to meeting all conditions precedent to disbursement.</p> |

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| <p>9.</p> <p>10.</p> <p>11.</p> <p>12.</p> <p>13.</p> | <p>Housing units for the proposed project(s) must fall within a target price not exceeding N5 million.</p> <p>The collateral shall be the Certificate of Occupancy or other acceptable title document of the estate land belonging to the cooperative society over which an equitable mortgage would be created between the Cooperative Society and the Bank.</p> <p>The Bank shall disburse the loan to the cooperative society in three tranches of 40:30:30, subject to periodic satisfactory report by the Monitoring and Compliance Unit of the Bank.</p> <p>The Bank shall finance 100% of housing development and 90% infrastructural facilities to a cooperative society.</p> <p>The Co-operative society is to develop the housing estate in any of the following ways:</p> <p>a) Engage registered building professionals with a view to completing the building to standard.</p> <p>b) Use professionals from within its ranks on submission of proof of technical expertise of members by the society.</p> <p>c) Engage an estate development company, provided the company is able to deliver the houses at a price affordable to the cooperators and within the limits set by FMBN for the scheme.</p> | <p>two recent passport photographs of all Directors of the Cooperative all tabulated).</p> <p>viii. Photocopies of Driver’s License, personal data page of International Passport or photocopies of National Identity Card of all the Executives of the Cooperative including their addresses and occupation.</p> <p>ix. Register of Members of the Society.</p> <p>x. Certified copy of its Bye-Laws (in place of Memorandum and Articles of Association). The Bye Laws should empower it to engage in housing development / construction.</p> <p>xi. Resolution at an Annual (or Emergency) General Meeting, Board of Directors/Trustees meeting authorizing it to borrow, duly executed and registered with the Registrar of Cooperatives and/or any other relevant authority. The date of commencement of business.</p> <p>xii. Cooperators will be required to submit, in addition to evidence of NHF registration/remittance, evidence of membership of the Cooperative Society (membership card) for a period not less than 6</p> | | |
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| <p>14.</p> <p>15.</p> <p>16.</p> <p>17.</p> | <p>All housing units in the estate must be sold to members of the co-operative society who are contributors to the NHF Scheme.</p> <p>This facility could either be for the purchase, improvement or construction of a housing unit.</p> <p>Members shall enjoy the housing loan at 6% interest rate.</p> <p>The tenor of the loan shall be 25years.</p> | <p>months preceding the month of application.</p> <p>xiii. Evidence of minimum NHF monthly contribution of N450.00 for a minimum period of six months will be required at the application stage.</p> <p>xiv. Individual members of a cooperative will make a down payment of 15% of the approved selling price as their personal stake in the loan.</p> <p>xv. Any amount contributed in excess of N450 will be regarded as payment towards personal stake.</p> | | |
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