

# NHF CONSTRUCTION LOAN

## THE PROCEDURES OF THE NHF CONSTRUCTION LOAN ARE AS FOLLOWS:

- The applicant must be a contributor to the NHF scheme.
- The applicant must possess a land title (C of O) which must be in the name of the individual
- The applicant must possess approved building plan by the appropriate authority; Drawings and Bill of Quantity certifies by registered professionals.
- The construction work should be phased and documented in a work plan **(30-30-40)**
- Construction period of Six (6) months for bungalow and 8 months for duplex
- Personal stake of 10% of the cost of the construction must have been utilized on the project before applying for the construction loan and must have been confirmed by the Bank's professionals. Cost of plot and fence not part of it.
- Security for the loan shall be the title to the Land of application and insurance policy by the applicant (letter of consent and undertaking for direct debit to be written by the employer)
- Disbursement of the loan shall be done in tranches to the applicant based on the agreed work plan and BOQ **(30-30-40)**
- Regular monitoring of the project by the designated FMBN staff in the State office in conjunction with the State Coordinator and report to the Head Office on a weekly basis.
- Interest rate on the loan is 7% on annuity basis to the individual applicant
- Maximum loan tenor is 15 years
- The Project Finance Group is to coordinate the disbursement of the loan and monitor the project
- The turnaround time of the loan process is 77 days
- The applicant is to pay a non-refundable fee of N100,000.00 (One Hundred Thousand Naira) only for Application form, Legal Search, Valuation & processing fee.