The Impact of Primary Mortgage Institutions' Housing Loans on Human Development in Nigeria

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Abstract
This study examines the impact of Primary Mortgage Institutions housing loans on human development in Nigeria covering a period of 2000 to 2018. Secondary data were sourced from Central Bank of Nigeria Publications including CBN statistical Bulletin. The Model was formulated and data were analyzed using Error Correction. Diagnostic tests were conducted using Augmented Dick Fuller Unit Root Test, and Co-integration. The result shows that the primary mortgage institutions investments and loans have negative and insignificant effect while primary mortgage institutions deposits have positive and insignificant effect on the human development. The study therefore recommends that efficient mortgage institutions that will collaborate with holders of long term finance such as pension funds Administrators, insurance companies to ensure availability of long-term funds and land use regulations, difficult registration procedures be reviewed as these make the certificate of occupancy, a document required for mortgage lending excessive difficult to obtain.

Key Words: *National Housing Fund Scheme, Primary Mortgage Institutions, Human Development Index, Housing Finance, Loanable Funds*

INTRODUCTION

Housing is important in determining the factors that affect the welfare of the citizens of a nation. This is because it improves the well-being of the citizens and the performance of other sectors of the economy as a whole. According to Adekunle (2012), the housing sector plays a more critical role in a country's welfare than is always recognized, for a number of reasons. First it is one of the three most important basic needs of mankind. Second, housing is a very important durable consumer item, which impacts positively on productivity, as decent housing significantly increases workers' health and wellbeing, and consequently, growth. Third, it is one of the indices for measuring the standard of living of people across societies. His assertions are in line with Oladapo (2008), who stated that housing is a major economic asset which has profound impact on the prosperity of the country and the productivity of individual as decent houses increases workers' health and also affects the well-being of the citizens

Availability of adequate housing has since the early 1970s posed a challenge to most developing countries despite the effort of all stakeholders, including government agencies, planners and developers to provide necessary plans for solving the housing problem, reason not being far from overpopulation in the urban areas due to search for employment opportunities which has led to overcrowding. It is important to note that provision of decent and affordable houses should be made both in urban and rural areas in Nigeria because of the enormous availability of essential raw materials for productivity processes in the rural areas.

The major challenge on housing is finance; this is because the provision of houses requires huge financial resources which most of the medium and low income earners in Nigeria are

unable to afford (Sanusi, 2010). Kabir (2004) also posited that although the federal and some state government intervened by providing mass housing, only the rich and the privileged can afford it. He further stated that the government has developed liberal housing policies, created opportunities for employers and merchants as well as primary mortgage institutions to make funds available for intending house owners to build houses of their own. The establishment of federal housing authority, the Federal Mortgage Bank of Nigeria, as well as the creation of the Ministry of Housing, Urban Development and Environment are all federal government efforts in addressing the housing challenges. The 1991 housing policy aimed at ensuring that Nigerians own or have access to decent housing accommodation at affordable cost by the year 2000.The policy also aimed at establishing the National Housing Fund Scheme to mobilize loanable funds from workers, which would be disbursed through the Primary Mortgage Institutions (PMIs) with the Federal Mortgage Bank of Nigeria to provide loan for housing research, construction and delivery. The policy also eased some difficulties encountered by citizens with respect to the operations of the Land Use Act, as it affects land ownership, as well as meet the need of Nigerians for quantitative housing through mortgage finance (Adeshina & Idaeho, 2019).

Lemo (2007) opined that the housing delivery is limited by a plethora of factors including lack of long term finance for construction, unfavorable mortgage system and laws, high inflation translating into volatile increase in cost of building materials, high interest rate on loans charged by financial institutions and poor savings culture by the citizens; all operating in the housing market serving as recipe for the poor performance of the housing market.
Boachie-Yiadom (2015) also confirmed that high interest rate and high administrative bureaucracy in the arrangement of mortgage loans for home construction presents a major challenge to housing delivery in Nigeria and the hindrances are multiplied for the lower income groups; who also dominate the Nigeria population. This is contrary to what is obtainable in developed economies like the United States of America, Britain and Denmark, where the common approach of owning a house is through a well-structured mortgage scheme. Nigeria records ones of the lowest mortgages to GDP rate of 0.6%, whereas countries like Ghana records 2%, South Africa 30%, USA and UK, 60% and 70% respectively. The increasing demand for affordable housing calls for the need to examine the role of the Primary mortgage institutions, this study therefore, focused on the primary mortgage institutions" impact on improving the standard of living of Nigerians through the provision of housing funds in Nigeria.

2.0 LITERATURE REVIEW

Mortgage institutions play an important role in the development of the housing sector in an economy by providing shelter and also the mobilization of domestic savings. Nubi (2006) affirmed that to acquire or build a house, the most popular means of raising finance in Nigeria is mainly from financial institutions, which include, mortgage institutions,
Mortgage financing was institutionalized in Nigeria through the establishment of the Nigerian Building Society (NBS) in 1956. The regional governments later set up housing corporations, savings and loans banks and cooperative banks to provide funds in the form of mortgage credit for housing development. Following the Indigenization Act (1972) which aimed, amongst others, at promoting and transferring the ownership and control of foreign enterprises to Nigerians, the Nigerian Building Society, in 1973, was renamed and metamorphosed into the Federal Mortgage Bank of Nigeria, (FMBN) to reflect the 100 per cent ownership of the Federal Government of Nigeria. Within two years of the establishment of the FMBN, its capital base was increased from N20 million when it was bought over by government in 1977 to N150 million in 1979, reflecting an increase of over 600 per cent. As at 2019, the equity capital base

of the FMBN is about N5 billion, with only 50 per cent of it paid-up. In 1994, the FMBN was granted the status of the premier and apex mortgage institution in Nigeria. The mandate of the FMBN includes amongst others to encourage the emergence and promoting the growth of viable primary mortgage institutions to service the need of housing delivery in all parts of Nigeria as this will improve living conditions, potential development of the long-term finance market for infrastructure development, freeing up of government resources to meet other socio-economic needs and, ultimately, in improved economic growth (FMBN, 2019).

PRIMARY MORTGAGE INSTITUTIONS

The regulatory framework for the establishment and operations of primary mortgage institutions (PMI) was provided by the promulgation of Mortgage Institutions Decree No 53 of1989. In the decree, the FMBN was given the power to license and regulate the activities of PMIs as second-tier housing finance institutions (Sanusi, 2003). Primary Mortgage Institutions (PMIs) operated in accordance with the provisions of the PMI Act on the basis of license granted by FMBN. Tukur (2019) stated that Primary Mortgage institutions are permitted to engage in mortgage finance, real estate construction finance within the permitted limits, acceptance of savings, demand and time/term deposits, drawing from mortgage funds (such as National Housing Fund (and/or other related mortgage endowments) for on-lending and financial advisory services for mortgage customers. These institutions are also authorized to grant mortgage/housing related consumer loans, finance rent-to-own properties, home improvement loans, incremental housing finance and other activities the CBN may approve from time to time. He further stated that the new guidelines were to re-position the mortgage sub-sector with a view to harnessing its potentials for sustained economic growth.

The supervision/regulation of the subsector was, however, assigned to the Central Bank of Nigeria (CBN) by the Federal Government's budget pronouncement in 1997 after it has witnessed years of serious instability and distress. Consequently, in line with that development, the CBN issued revised guidelines for PMIs in 2000, which redefined and expanded the scope of mortgage business activities in order to curtail further systemic distress in the subsector. The guidelines introduced enhanced requirements for capital, risk management, internal control and corporate governance.

Ikekpeazu, (2018) affirmed that despite the CBNs effort in repositioning the sub-sector, there still exists a wide gap between the performance level and the original mandate of the PMIs. The level of capitalization, scope of operations, and volume of core mortgage activities as well as the capacity of their management and staff have remained low. 115 out of the 195 PMIs that were handed over to the CBN by the FMBN in 1999, were listed as terminally distressed due to various regulatory breaches and operational weaknesses, as a result, 97 PMIs licenses were revoked out of the 115 PMIs, five were restructured while 13 others were granted additional time to consummate their recapitalization plan. Between 2000 and 2005, five PMIs were licensed, this bringing the number of those operating to 90 as at December 2005and only 43 were confirmed to have met the current statutory minimum paid-up capital of N100 million. The aggregate shareholders' funds in the sub-sector stood at N18.1 billion, while total deposit liabilities and loans and advances were N47.5 billion and N28.5 billion, respectively. As at December, 2019, the number of PMIs operating in Nigeria is 34, only a paltry sum of N19 billion has so far been mobilized through the National Housing Found (NHF) which was established in 1992 under the management of the Federal Mortgage Bank of Nigeria, as a contributory scheme to address the observed gaps in housing delivery in the country. Estimated at about 32 million households, over 50 percent of Nigerians are either homeless or live in inadequate shelter. According to national bureau for statistics, NBS (2018)56.4% households living in urban area are in rented house, or unpaid make shift accommodation and only about

7.18% of salary earners can afford to buy a house. The Association of Housing Corporation of Nigeria, (AHCN) also noted that housing deficit in Nigeria is worrisome and in 2019 proposed to develop 740,000 housing units within the next five years. The purpose of the NHF is to provide cheaper source of fund for mortgage loans to the Nigerian workers particularly those in the 'low middle' income group to become home owners. As at December, 2005, a total of 5250 mortgage loans/ beneficiaries were originated through the PMIs and 11,216 housing units were financed through estate developers with a combined disbursement of N13.2 billion or 69 percent of the N19 billion mobilized under NHF scheme. Consequently, the fund has not made the desired impact on housing delivery, there is therefore, the need for the PMIs, to be adequately capitalized, for this option to be practicable.

2.0 Theoretical Framework

Developing economies need the efficiency of financial system for rapid growth and development. As a result, this work is based on the Supply Leading Hypothesis Theory (finance-led growth hypothesis). The Supply Leading Hypothesis also called "finance-led growth" hypothesis was first developed by Goldsmith (1969) who suggested that financial development has a positive impact on economic growth as it may boost the capital accumulation efficiency and or increase the level of saving and thus the level of investment as suggested by McKinnon (1973) and Shaw (1973). The hypothesis postulates that the existence of financial institutions and the supply of their financial assets, liabilities and related financial services in advance of demand for them would provide efficient allocation of resources from surplus units to deficit units, thereby leading the other economic sectors in their growth process (Patrick, 1996).Salama (2006) life style status based theory asserts that affordable house is that which bestows a sense of dignity on the inhabitants because unattractive housing directly affects the self-respect of the occupants. In explaining the theory of life style on affordable housing, he cited Douglas (1996) who introduced four different subcultures under the attitude based theory which includes competition and individualism, isolation and avoidance of social controls, equity and negotiation and hierarchical communities. In summary, he argued that housing typology is crucial element in understanding the theory of lifestyle on affordable housing; also the roles of the financial institutions have both positive and negative implications to the acquisition of affordable housing.

2.3 EMPIRICAL REVIEW

Adedokun et al (2011) studied the performance of the National Housing Fund Scheme in terms of housing delivery in Nigeria. The study adopted secondary data and employed the use of percentiles and t-test as well as Pearson Product Moment of Correlation for the purpose of analysis. The result indicated that the Primary Mortgage Institutions (PMIs) were not adequate in number and that there was a wide difference between the amounts the mortgagors actually applied for and the amounts approved.

Abdullah, Azriyafi and Abd-Aziz (2011) studied the role of private sector participation to achieving anticipated outcomes for low income group in Malaysia and Nigeria. The study used primary data collected structured and semi structured questionnaire interviews. They found out that there is gap between housing demand and the private sector response in Malaysia and Nigeria and affordability of houses developed low income group (LIG).

Asabere, McGowan and Mooklee (2014) investigated the link between housing financing and economic development in Africa. The studied employed ordinary least square (OLS) method and the result shows that there is a significant positive correlation between the size of mortgage market and level of GNI per capita.

Ubom and Ubom (2014) examined the contributions of Primary Mortgage Institutions (PMIs) to real estate development in Nigeria and to establish the relationship that exist between the

investments and loans granted by the PMIs and real estate development in Nigeria from 1992-2012. The desk, narrative and descriptive research designs were used and the data collected from existing documents and materials mainly from the Central Bank of Nigeria. They found that PMIS loans and investments were highly directed to the provision of commercial buildings at the detriment of the residential houses. It was also discovered that rigid regulatory policies and insufficient fund hinder the smooth operations of the PMIs and their contributions to real estate development in the economy.
Udoka and Kpataene (2014) examined the impact of mortgage financing and housing development in Nigeria, data were extracted from CBN statistical bulletin and National Bureau of Statistics from 1990 to 2014. The Error Correction Model established causal links and dynamic interactions between variables by granger causality test. The result of the findings showed a significant relationship between mortgage financing and housing development in Nigeria.

Oyedokun, Adewusi, Oletubo and Thomas (2015) investigated of mortgage lending an overview of Nigeria practice. The studied employed questionnaire survey, using 65 primary mortgage institutions in Lagos as sample size and for the analysis spearman's correlation was used to know the degree of relationship. They found out that current mortgage lending practice can contribute to the borrower's mortgage default or inability to meet their mortgage obligation.
Olufemi and Oluwaseyi (2016) examined financing housing services delivery and its challenges in Nigeria. The study adopted descriptive statistics and found out that financial system used by the government has not been effective.
Aliyu (2017) examined the determinants of access to mortgage finance in Central and Eastern Europe as well as consequences of household mortgage indebtedness in the event of a financial crisis. They employed household survey and panel approach and found evidence that mortgage holders were less financially vulnerable during periods of high income growth in the countries examined. In addition, accessibility of mortgage finance was not based on expected income in EU countries.
Yinusa, Ilo, and Elumah (2017) studied mortgage financing and housing development in Nigeria. The study employed secondary data and a time series analysis for the period of 1992-2015 was analysed using the Ordinary Least Square method. The finding of this study reveals that Microfinance Bank loans to mortgage have a negative impact on housing development, while primary mortgage loans to mortgage have a significant positive influence on housing development in the Nigeria.
Ogedengbe and Adesopo (2018) studied the problems of financing real estate development in Nigeria. They made use of questionnaires and a simple descriptive analysis. The study revealed that high interest rates and several other requirements for loan application bedeviled the financing of real properties in Nigeria.
Andabai and Eze (2018) examined the impact of primary mortgage institutions' investments on economic growth in Nigeria; for the period 1995-2017. Hypotheses were formulated and tested using Ordinary Least Square econometrics techniques and they found that primary mortgage institutions' investments had a significant impact on economic growth in Nigeria.
Olukayodeand Owolabi (2018) examined the roles of financial institution in housing development in Nigeria. They made use of primary data and concluded that the contribution of financial institutions to housing development is not satisfactory because of limited options available and the lack of consideration for the poor majority of the Nigeria population.
In summary, most of the available literatures show that economic development was measured using GDP and found that there is still gap between the amounts the mortgagors actually applied for and the amounts approved and this affects the general productivity and standard of

living as a whole. Considering the importance of housing to the improvement of the standard of living, this paper employed the Human Development Index as it encompasses both GDP and standard of living as a whole.

In 1970s, the International Labour Organization (ILO) promoted the Basic Needs Approach to Development. The ILO viewed development as involving the provision of basic essentials required for civilized living such as shelter, food, clothing, basic education and basic health care. These basic needs were expected to be provided by government whether or not the economy was growing. Following this, in the 1980s, the United Nations Development Programme (UNDP) advocated human development as being at the centre of any nation‘s developmental process. It defined human development as a process of expanding human choices by enabling people to live a long, healthy and creative life. HDI is a summary of human development. It measures the average achievement in a country in three basic dimensions of human development, health education and a decent standard of living. In 2018, the value was 0.534 which put the country in a low HDI category positioning it at 158 out of 189 countries, nevertheless, between 2005 and 2018 it increased by 14.4%. The key components of HDI include data on life expectancy, education and per capita GDP. These composite accounts for income, education and health. Diamond and Dybvig (1993) noted that a well-developed financial system is an important complement to the development of human resource in the growth process. The relationship between financial development and human capital, although acknowledged in the theoretical literature remains less explored at the empirical level. Financial sector development through credit channels including the primary mortgage institution also enables human capital accumulation and influences economic growth. Thus, the effect is both ways.

3.0 METHODOLOGY

This research employed the ex-post facto design. An ex-post-facto research design entails the use of variables which the researcher does not have direct control over the variables because they cannot be manipulated. The secondary data was sourced from the Central Bank of Nigeria (CBN) statistical bulletin covering a period of nineteen years, from 2000 to 2018.

Model Specification

The model for this study is backed by evidences given in various literatures and theoretical framework that underlies the effect of PMI on economic development. The research method adopted in this study is based on the modification of models used by Andabai & Eze, (2018).
The model is stated as: GDP = f(PMII, PMIDEP, INTR).
Where: GDP = Gross Domestic Product as proxy for Economic Growth; PMII=Primary Mortgage Institutions Investments; INT = Prime Lending Rate; PMIDEP = Primary Mortgage Institutions Deposits. The above model is modified in this study by introducing the Human Development index as proxy for economic development
HDI =f(PMIinv, PMIdep, PMIl) ....(1)
The Ordinary Least Square (OLS) multiple linear regression based on the above functional relation is:
$HDI= \beta_0 + \beta_1 PMII + \beta_2 PMIDEP + \beta_3 PMIL + \mu$………(2)
Where: HDI = Human Development Index
PMIinv = Primary Mortgage Institutions Investments
PMIdep = Primary Mortgage Institutions Deposits
PMIl = Primary Mortgage Institutions Loans

Where; 1. β and $\beta_{1...3}$ are regression parameters and are used to describe the relationship the relationship that exist between dependent variable and independent variables.
2. β = intercept parameter which is autonomous and = β the explanatory variable parameter.
3. µ is the error term. We introduced a random term in the model to account for those factors that cannot be stated explicitly in the model which also influences the independent variables.

4.0 DATA PRESENTATION AND ANALYSIS

Table 1. Descriptive statistics

	HDI	INV	DEP	LOAN
Mean	0.487158	46.75526	97.29532	73.30947
Median	0.490000	32.29000	82.93000	102.0100
Maximum	0.534000	149.0900	186.9500	156.2900
Minimum	0.400000	2.370000	1.350000	0.830000
Std. Dev.	0.036197	38.59741	59.94727	59.69695
Skewness	-0.515318	1.024352	-0.009707	-0.078851
Kurtosis	2.826181	3.604987	1.736103	1.344774
Jarque-Bera	0.864835	3.612530	1.264936	2.188676
Probability	0.648938	0.164267	0.531279	0.334761
Sum	9.256000	888.3500	1848.611	1392.880
Sum Sq. Dev.	0.023585	26815.69	64686.15	64147.06
Observations	19	19	19	19

Source: Authors' Computation

The characteristics of the data series used in the analysis are presented in table 1.The table shows the summary of descriptive statistics used in the analysis. The mean value was shown to be 0.48715, 46.75526, 97.2953 and 73.30947 for HDI, INV, DEP and LOAN respectively while the standard deviation shows 0.036197, 35.5974, 59.9472 and 59.69695 for HDI, INV, DEP and LOAN respectively. The results also indicated that mean is greater than the standard deviation in each of the variables and this suggest that the variables meet the basic requirement for normal distribution.

Table 2. Result of ADF unit root test at first difference
Variables ADF Test Statistic Test Critical Value at 10%

variables	*ADF Test Statistics*	*Test critical value @ 10%*	*p- value*	*Order of integration*
HDI	*-5.393569*	*-2.666593*	*0.0005*	*1(1)*
INV	*-5.316992*	*-2.666593*	*0.0006*	*1(1)*
DEP	*-4.446229*	*-2.666593*	*0.0033*	*1(1)*
LOAN	*-4.410221*	*-2.666593*	*0.0036*	*1(1)*

Source: Authors' Computation

The variables for the analysis were subjected to Augmented Dickey-Fuller (ADF) unit roots test to determine whether there are unit roots or stationary series. The idea that historical relationships can be generalized to the future is formalized by the concept of stationarity. If a time series is non stationary, we can study its behavior only for the time period under consideration. As a result, it is not possible to generalize it to other time periods. Therefore, for the purpose of forecasting or policy analysis, such (non stationary) time series may be of little

practical value. *Second*, if we have two or more non stationary time series, regression analysis involving such time series may lead to the phenomenon of spurious or nonsense regression (Gujarati, 2011; Asteriou, 2007).The unit root text from stationary at first difference which allow for ascertaining the co-integration relationship.

Table 3 presentation of Johansen Co-Integration Test

Date: 03/09/20 Time: 16:53
Sample (adjusted): 2002 2018
Included observations: 17 after adjustments
Trend assumption: Linear deterministic trend
Series: HDI INV DEP LOAN
Lags interval (in first differences): 1 to 1
Unrestricted Co-integration Rank Test (Trace)

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.897604	68.54692	47.85613	0.0002
At most 1l. *	0.730953	29.80555	29.79707	0.0499
At most 2	0.324317	7.486801	15.49471	0.5218
At most 3	0.047217	0.822265	3.841466	0.3645

Trace test indicates 2 co-integratingeqn(s) at the 0.05 level
* denotes rejection of the hypothesis at the 0.05 level
**MacKinnon-Haug-Michelis (1999) p-values

The co-integration test is used in the determination of the long-run relationship that exists between variables. Table 3 shows that long-run relationship (co-integration) exists among the variables. There is 2 co-integrating equation. This is reflected in the trace statistic of Table 3 which shows a value greater than that of the 5% critical value respectively. As the data series are non-stationary and the vector of variables in the equations appears to be co-integrated, execution of the second phase of the Engle-Granger technique leads to the estimation of error-correction forms of the stochastic equation. The equation represents the short run behavior and the adjustment to the long-run model. The residual from the co-integrating regression lagged one period was used as error correction mechanism in the dynamic equation.

Table 4. Result of error correction model

Dependent Variable: D(HDI)
Method: Least Squares
Date: 03/23/20 Time: 17:00
Sample (adjusted): 2004 2018
Included observations: 15 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(HDI(-1))	-0.525115	0.281351	-1.866403	0.1588
D(INV)	-3.86E-05	0.000392	-0.098486	0.9278
D(INV(-1))	0.000262	0.000280	0.934184	0.4191
D(INV(-2))	1.83E-05	0.000191	0.095584	0.9299
D(DEP)	8.72E-05	0.000519	0.168173	0.8771
D(DEP(-1))	-0.000191	0.000385	-0.496022	0.6539
D(DEP(-2))	0.000172	0.000163	1.051808	0.3701
D(LOAN)	-0.000191	0.000476	-0.401055	0.7152
D(LOAN(-1))	0.000259	0.000319	0.813160	0.4757
D(LOAN(-3))	0.000163	0.000147	1.105656	0.3496
ECM(-1)	1.223324	0.272833	4.483783	0.0207
C	0.002820	0.004778	0.590159	0.5966

R-squared	0.925459	Mean dependent var	0.004800
Adjusted R-squared	0.652142	S.D. dependent var	0.022511
S.E. of regression	0.013277	Akaike info criterion	-5.815030
Sum squared resid	0.000529	Schwarz criterion	-5.248590
Log likelihood	55.61272	Hannan-Quinn criter.	-5.821064
F-statistic	3.386032	Durbin-Watson stat	1.729902
Prob(F-statistic)	0.001967		

Source: Authors' Computation

The Ordinary Least Squares (OLS) estimation method is used as it is an essential component of most other estimation techniquesIn table 4, the R^2 and Adjusted R^2 both showed 92.5% and 65.2% respectively. This shows that the chosen regression model best fits the data. Hence, the goodness of fit regression model is 92.5% and implies that chosen explanatory variables explain 92.5% variations in the dependent variables. Also, with Adjusted R^2 (65.2%) implies that the model can take on more variables conveniently without the R^2 falling beyond 65.2%, which is very commendable.

The result also shows that all the variables have insignificant effect on HDI. This shows that the primary mortgage institutions (PMI) investments and loans as presented in Table 4 have negative and insignificant effect while PMI deposits have positive and insignificant effect on the Nigerian economic development for the period under study. The disequilibrium error term, ECMt-1, is negative and statistically significant (as expected) in the equation. The significance of the error terms confirms the existence of long-run relationship between the variables in the error correction model. The ECM induces about 22% adjustment per period in this equation. In addition, the equation is statistically significant and the overall statistical fit is good.The

overall probability (F-statistics) of 0.00196 is rightly signed and the model does not seem to suffer from autocorrelation ie DW of 1.72 is normal.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATION

This shows that the primary mortgage institutions investments and loans as presented in Table 7 have negative and insignificant effect while PMIs deposits have positive and insignificant effect on the human development for the period under study which is consistent with the study of Adedokun et al (2011) who noted that there was a wide difference between the amounts the mortgagors actually applied for and the amounts approved the reasons that could be attributed to this poor performance is largely due to paucity of long-term fund available to these institutions, with which they could create mortgage assets. This is also in line with the works of Ubom and Ubom (2014) who found that PMIs loans and investments were highly directed to the provision of commercial buildings at the detriment of the residential houses.

To bridge the housing deficit gap, there is need to provide homes for over 60 million Nigerians who are employed yet do not earn enough to buy or own a house. The study therefore recommends that efficient mortgage institutions that will collaborate with holders of long term finance such as pension funds Administrators, insurance companies to ensure availability of long-term funds and land use regulation, difficult registration procedures be reviewed as these make the certificate of occupancy difficult to obtain.

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APPENDIX 1: PMIs VARIABLES WITH HDI FOR VARIOUS YEARS

YEAR	HDI (%)	PMI INVESTMENTS (₦'BILLION)	PMI DEPOSITS (₦ 'BILLION)	PMI LOANS (₦ 'BILLION)
2000	0.45	2.37	1.35	0.83
2001	0.46	2.88	1.35	1.02
2002	0.46	18.28	32.48	6.60
2003	0.443	2.40	36.14	12.90
2004	0.40	32.29	64.58	6.00
2005	0.467	40.88	78.04	2.10
2006	0.47	40.36	82.93	7.56
2007	0.48	149.09	155.91	40.75
2008	0.48	69.83	166.28	108.53
2009	0.49	61.19	148.10	118.59
2010	0.49	66.99	186.95	132.88
2011	0.50	89.70	163.20	122.81
2012	0.50	99.42	171.80	120.91
2013	0.52	83.34	164.93	132.29
2014	0.52	18.78	51.55	61.92
2015	0.53	23.99	73.72	102.01
2016	0.53	30.44	66.04	102.91
2017	0.532	30.58	103.06	156.29
2018	0.534	25.54	98.20	155.98

Source: CBN statistical Bulletin, 2018.