THE NATIONAL HOUSING FUND (NHF) GUIDE

For Nigerians to Own Property — Legally, Safely & Affordably

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PROPERTIES AND INVESTMENT LTD

By IICOCECE Properties & Investment Ltd

INTRODUCTION

Owning property in Nigeria is often delayed, not because houses are unavailable, but because access to suitable financing is unclear or poorly understood.

The National Housing Fund (NHF) is a government-backed system created to make home ownership more accessible to Nigerians, including professionals, entrepreneurs, and SME owners. It provides a structured pathway to affordable, long-term housing finance.

Despite existing for decades, many Nigerians either do not participate in the NHF or participate without understanding how to benefit from it.

This guide explains the NHF in clear, practical terms so you can understand:

- What the NHF is
- How it works in practice
- Who it is suitable for
- What to expect when using it
- How to approach it correctly

If you are planning long-term asset ownership through real estate, this guide will help you determine whether NHF should be part of your strategy.

WHAT IS THE NATIONAL HOUSING FUND (NHF)?

The National Housing Fund (NHF) is a housing savings and mortgage scheme established by law in 1992 and managed by the Federal Mortgage Bank of Nigeria (FMBN).

Its purpose is to provide Nigerians with access to affordable housing finance through structured contributions and long-term repayment options.

Through the NHF, contributors can qualify for housing loans to:

- Buy a residential property
- Build a home
- Improve or renovate an existing home

The NHF operates within a legal and regulated framework and applies strictly to residential housing.

WHY THE NHF EXISTS

Housing finance in Nigeria is challenging due to high property prices, expensive commercial bank loans, and short repayment tenors.

The NHF was created to:

- Provide lower-interest housing loans
- Allow long repayment periods of up to 30 years
- Improve access to home ownership
- Reduce dependence on commercial bank mortgages

For professionals and SME owners, the NHF supports property ownership without excessive pressure on cashflow.

WHO THE NHF IS FOR?

The NHF is designed for Nigerians who want to own residential property through a structured, long-term approach.

This includes:

- Salaried professionals
- Business owners and entrepreneurs
- Self-employed individuals
- Nigerians in the diaspora
- SMEs planning long-term asset acquisition

Participation is not limited to civil servants or a specific income group.

BASIC ELIGIBILITY REQUIREMENTS FOR NHF

To participate in the NHF and qualify for NHF-backed housing finance, an applicant must:

- Be 18 years or older
- Be a Nigerian citizen (home or diaspora)
- Have a regular and sustainable source of income
- Be able to demonstrate repayment capacity (monthly repayment is assessed against income)
- Be properly registered under the NHF scheme
- Provide clean and verifiable documentation

Income must be consistent and provable, as it directly affects eligibility and loan size.

WHAT NHF CAN BE USED FOR

NHF-backed housing finance can be applied to:

- 🏡 Buying an already-built residential house
- 🏗️ Building a house (where land is already owned)
- 🛠️ Renovating or improving an existing home
- 🏘️ Rent-to-own housing arrangements

NHF does not fund land-only purchases. The end result must always be a residential home.

HOW NHF WORKS

(FROM A CUSTOMER'S VIEW)

1: Register and Contribute

You register under the National Housing Fund and begin contributing 2.5% of your basic salary monthly.

- If you are employed, your employer deducts and remits this to FMBN.
- If you are self-employed, you contribute directly.

You must contribute for at least 6 months before becoming eligible to apply for a housing loan.

2: Decide What You Want to Use the Loan For

After meeting the contribution requirement, you apply for an NHF loan through an accredited Primary Mortgage Bank (PMB).

Your use case determines how the loan works:

Buying an already-built house

- NHF supports this fully.
- Typically, NHF finances up to 90% of the property value.
- You provide 10% equity.
- NHF pays the seller or developer directly.

Building a house (you already own land)

- NHF supports construction.
- Funds are released in stages to the contractor as work progresses.
- This ensures the money is used strictly for construction.

Buying land only

- Not allowed under NHF.
- Land can be purchased personally, then NHF used to fund construction.

Renovating a house you already own

- Loan amounts are typically smaller than purchase or construction loans.

3: Apply Through a Mortgage Bank

You apply at an accredited PMB with:

- Your NHF number
- Proof of income (payslips or business records)
- Tax clearance
- Valid identification
- Property and title documents

The PMB assesses affordability and forwards the application to FMBN for approval.

4: Who Receives the Money

NHF funds are never paid into your personal account.

- For purchases, payment goes directly to the seller or developer.
- For construction or renovation, payment goes to the contractor in stages.

This structure ensures funds are used strictly for housing.

5: Your Equity Contribution

You must provide your own contribution upfront:

- Nigeria-based applicants: usually 10% equity
- Diaspora applicants: typically 30% equity

Equity is paid directly to:

- The seller/developer (for purchase),
- Early construction stages (for building)

6: Repayment

Once the property is delivered, you begin monthly repayments through the PMB.

- Interest rate: 6% fixed
- Repayment tenure: up to 30 years (subject to age and income)

NHF contributions continue separately and are refundable upon retirement, with interest.

CASE STUDY

Chioma earns ₦200,000 basic salary monthly.

- Her NHF contribution is ₦5,000 monthly.
- After 6 months, she applies for a ₦20 million house.
- She pays ₦2 million (10%) equity.
- NHF pays ₦18 million directly to the developer.
- She moves in and repays monthly over an agreed tenure.

WHAT HAPPENS WHEN THERE IS A DELAY

NHF approvals and disbursements can take time.

Why delays occur:

- Applications pass through PMB and FMBN layers
- Approvals are done in batches
- Missing or incorrect documentation can stall files

What this means for the client:

- Equity may already be paid
- Property handover waits until NHF disbursement is complete
- Patience and planning are required

PRACTICAL WAYS DELAYS ARE MANAGED

- Working with NHF-friendly developers
- Lock-in agreements after equity payment
- Clean, error-free documentation
- Exploring temporary bridge arrangements (where available)

NHF is reliable, but not fast. Expectations must be set correctly.

HOW WE SUPPORT YOU TO GET INTO THE NHF PROGRAM

At IICOCECE Properties & Investment Ltd, we help clients navigate NHF properly from the start.

Our support includes:

- Eligibility assessment
- Correct NHF registration
- Documentation coordination
- Guidance on NHF-friendly properties and developers
- End-to-end support through the registration process

Our NHF registration service is a paid, done-for-you process and typically takes up to 2 weeks to complete.

REGISTER NHF WITH US

Work with us for your professional NHF registration and proper setup. Our team will guide you through the process, confirm your eligibility, and ensure your registration and documentation are completed correctly.

Registration is typically completed within 2 weeks, subject to timely submission of required documents.

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To get started, send us a message with **"NHF"**.

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