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October 3, 2014

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LETTER TO ALL BANKS

Dear Sir,

RE: INCESSANT REQUEST FOR ISPO BY BANKS TO LEND TO STATES, LOCAL GOVERNMENTS AND COMMUNITY ASSOCIATIONS

We refer to a letter dated June 4, 2014 forwarded to all banks by the Debt Management Office (DMO), which specified the guidelines on the above subject.

The Central Bank of Nigeria has noted with serious concern that some banks have failed to adhere to the guidelines specified by the DMO in relation to lending to any tiers of government.

It is in this regard that we write to direct banks to be guided by the guidelines and all extant laws and regulations on this matter and henceforth, desist from inundating the DMO with requests for ISPOs.

Banks are warned to be guided accordingly as the CBN will not hesitate to impose **SEVERE** penalties on erring banks.

Yours faithfully,

A.O. IDRIS
For: DIRECTOR OF BANKING SUPERVISION