



## Framework for the effective implementation of the National Housing Fund (NHF) scheme for low-cost housing in South-East Nigeria

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### Abstract

This Adequate housing remains a pressing challenge in developing countries, particularly among low-income earners in Nigeria. The National Housing Fund (NHF) scheme was established to address this need, yet its implementation has been hampered by low awareness, bureaucratic bottlenecks, and weak institutional coordination. This study developed a framework for the effective implementation of the NHF scheme for low-cost housing in South-East Nigeria. A mixed-method research design was adopted, targeting low-income earners (1,365), mortgage institutions (295), and government agencies/policy makers (265). Using stratified random and purposive sampling, 409 respondents were selected. Data were collected through structured questionnaires and semi-structured interviews. Quantitative data were analyzed using SPSS version 22, while qualitative data were examined through thematic analysis and framework synthesis. Findings revealed that despite strong willingness to own homes, affordability and accessibility remain major barriers. Awareness of the NHF scheme was low, and a majority of respondents rated it ineffective in delivering affordable housing. To address these gaps, a multilevel framework was proposed, emphasizing participatory housing need identification, streamlined financing, flexible repayment structures, public-private partnerships, and embedded monitoring and evaluation. The study concludes that effective policy coherence, institutional reform, and sustained stakeholder engagement are crucial to making the NHF scheme a viable tool for bridging Nigeria's housing deficit.

**Keywords:** National housing fund (nhf), low-cost housing, south-east nigeria, housing deficit, framework, implementation

### Introduction

All over the world, there is a growing concern over the worsening housing conditions especially in the developing countries (Aribigbola, 2011; Gür and Yüksel, 2011; Verdouw, 2016; AlQahtany, 2020; Shirazawa and Simões, 2021) [4, 5, 14, 27, 30]. With respect to this, Ihome (2017) [17] define housing as a place of residence built to serve as a home for one or more people, while Zou, Chen, and Chen (2019) [34] defined it as the process of providing safe, comfortable, attractive, functional affordable and identifiable shelter in a proper setting within a neighbourhood, supported by continuous maintenance of the built environment for the daily living activities of individuals/families within the community while reflecting on their socio-economic, cultural aspirations and preferences.

Housing in spite of its benefits has been reported to be in gross undersupply across the globe. To this end, Sunday, Boateng and Adams (2022) report that the global population of those who are homeless because they reside in shanty towns and informal settlements stands at 863 million and fast approaching a billion. The UN Habitat (2013) similarly affirmed that over 61.7% of the population of Africa are homeless. In Nigeria, a recent study conducted by Izebhor, (2022) [18] affirmed that more than 22 million Nigerians are homeless. Furthermore, there are abundance research evidences which affirms that the low-income earners are chief among the sufferers of these housing shortages (Golubchikov, and Badyina, 2012; Gilbert, 2014; Sachs, 2015; Rigon, 2016; Igwe, Okeke, Onwurah, Nwafor, and Umeh, 2017; Adabre, and Chan, 2019) [1, 11, 13, 16, 26]. The studies further reports that the incidence of housing

shortages and inadequacies is far worse for low-income earners in developing nations like Nigeria

In Nigeria, the crisis of housing provision is particularly acute among low-income earners, who constitute the majority of the population (Egidario, Patrick, and Eziyi, 2016; Odoyi and Riekkinen, 2022) [9, 22]. Studies confirm that this group, estimated to be over 90% of the population, is displaced with respect to decent housing due to high construction costs, rising land prices, inflationary pressures, and weak policy frameworks (FGN, 2012; Ugochukwu and Chioma, 2015; Olotuah and Taiwo, 2015; Bons, Onochie, and Nzewi, 2019) [7, 25, 28]. Government interventions, including the National Housing Policy of 2012 [21], have failed largely due to poor implementation strategies, lack of sustainable funding, and weak institutional coordination (Muhammad, Johar, Sabri, and Jonathan, 2015).

Despite the emphasis being laid on housing provision by people and various government agencies, this basic human need has continued to elude many especially the low-income groups (Akande, Olubajo and Ibraheem, 2024) [3]. Housing deficit is a global phenomenon and it is not in any way peculiar to Nigeria. The South East of Nigeria is experiencing its own share of housing deficit just like other regions of the country. Some cities in South-East Nigeria, faces this housing crisis, particularly affecting residents living in slums and poor-quality homes. The situation calls for immediate attention and innovative solutions to uplift these vulnerable communities and bridge the growing housing gap. According to Izebhor (2022) [18] and Okoro (2020) [24] the housing issues in this region, are shaped by a combination of historical, economic, social, and political factors.

Amidst these issues, the Nigerian government has been making attempts to provide adequate housing in recent times for the low-income earners through policies and programmes such as the Social housing scheme, National Housing Policy (NHP), the Land Use Decree (LUD) of 1978, the Urban and Regional Planning Decree of 1992 and the National Housing Fund (NHF) that has the responsibility of ensuring continuous flow of fund for housing construction and delivery. It is imperative to note that despite the objective of these policies, Nigeria has still not been able to meet its housing needs as these policies have encountered numerous hurdles on their path of implementation. As a result of this, Nigerians especially the low-income earners are faced with some severe effects of these deficits such as homelessness, slum dwelling, overcrowding, waste overflow, dilapidated houses, shanty towns, poor refuse disposal system, breakout of highly contagious infections, economic burden on individuals, impact on productivity, social tensions and insecurity, strain on infrastructure and urbanization challenges among several others.

One of the policies that promised to be effective towards this fight against housing deficit is the NHF. The Federal Mortgage Bank of Nigeria (FMBN) through the NHF scheme grants mortgage loans with a minimum interest rate of 4% to accredited Primary Mortgage Banks (PMB). PMBs on-lend at 6% to NHF contributors with a maximum mortgage tenor of 30 years. This too just like the other policies is currently not living up to its expectations and have encountered numerous hurdles on their path of implementation.

It is against these backdrop that this paper developed an effective framework for the effective implementation of the National Housing Fund (NHF) scheme for low-cost housing with a view to enhancing adequate housing provision for low-income earners in South East Nigeria.

## Literature review

### a. Maslow's Hierarchy of Needs

Maslow's Hierarchy of Needs provides a framework for understanding the necessity of housing as a fundamental requirement for human development and well-being. This model posits that individuals are motivated by a progression of needs, categorized into five levels: physiological, safety, love and belonging, esteem, and self-actualization (Fig 1). Each level must be addressed sequentially, as lower-level needs must be satisfied before individuals can focus on higher-order aspirations (Okongwu, Okolie, and Ezeokoli, 2021) [13]. Within this hierarchy, housing serves as a critical component in fulfilling the most basic physiological and safety needs, while also enabling individuals to pursue social connections, esteem, and ultimately self-actualization. Maslow's Hierarchy of Needs offers a valuable framework for understanding the motivations and challenges faced by low-income individuals in Nigeria regarding housing access and the implementation of the National Housing Fund (NHF) scheme. The NHF aims to address the housing deficit among low-income groups, and applying Maslow's theory to this context elucidates the critical importance of fulfilling basic needs to facilitate upward mobility through housing stability



Source: Okongwu, *et al* (2021) [13]

Fig 1: Maslow's Hierarchy of Needs

At the foundational level, physiological needs encompass essential elements required for survival, including shelter, food, and clean water. Housing is a basic human need that provides not only physical protection from environmental elements but also a stable environment for individuals and families. Without adequate housing, individuals are often forced to contend with homelessness or substandard living conditions, which compromise their health and well-being. Research indicates that inadequate housing is directly correlated with numerous adverse health outcomes, including increased stress, respiratory issues, and mental health disorders (Evans and Cohen, 2019; World Health Organization [WHO], 2020) [31]. For example, the WHO (2020) notes that poor housing conditions contribute significantly to health inequalities, as individuals living in inadequate housing are more likely to experience chronic health conditions. Consequently, ensuring access to safe and adequate housing is vital for addressing these physiological needs, allowing individuals to focus on higher-order needs once their basic survival is secured.

Moving beyond physiological needs, housing plays a significant role in fulfilling safety needs. A stable living environment contributes to a sense of security and predictability, allowing residents to feel protected from violence, crime, and social instability. Safe housing enhances personal security and fosters a supportive community, which is essential for the well-being of individuals and families. According to a study by Wright, Blanchard and Ainsworth (2020) [32], stable housing conditions reduce anxiety and foster resilience among families facing economic challenges. In the context of low-income groups, the provision of affordable and safe housing options can mitigate feelings of anxiety and uncertainty, thereby allowing individuals to pursue social connections and emotional relationships. This emphasis on safety aligns with Maslow's theory, which suggests that individuals must feel secure in their environment before they can effectively seek social belonging and connection (Maslow, 1943) [20].

As individuals meet their basic and safety needs through adequate housing, they can begin to focus on love and belongingness needs. Housing that fosters community engagement and social interactions can enhance feelings of connection and belonging among residents. A study by Ziersch, Walsh, and Milligan (2019) [33] highlights that neighborhood design, including the presence of communal

spaces, significantly influences social interactions and the sense of belonging among residents. Neighborhoods designed with communal spaces, parks, and community centers encourage interaction and support networks, which are essential for emotional well-being. Additionally, having a stable home environment allows families to nurture relationships, contributing to a sense of belonging that is critical for personal development (Baumeister and Leary, 1995) [6].

Furthermore, meeting esteem needs is intricately linked to housing. Homeownership or stable rental arrangements can foster a sense of achievement and pride, significantly boosting self-esteem. Maslow (1943) [20] posits that recognition and respect from others contribute to an individual's self-worth; thus, housing stability can enhance social status and contribute to an individual's confidence and sense of mastery. Research by Hoolachan, McKee, Moore and McKee (2017) [15] demonstrated that secure housing leads to improved self-esteem and life satisfaction among individuals, especially in marginalized communities. Programs designed to support low-income families in securing housing can lead to increased self-esteem and social recognition, enabling individuals to aspire toward higher-level goals and personal fulfillment.

The ultimate goal of addressing housing needs aligns with the concept of self-actualization. Once individuals have secured their basic needs, safety, and social connections, they are better positioned to pursue personal growth, education, and creative endeavors. Adequate housing provides the foundation upon which individuals can realize their potential, engage in meaningful work, and contribute positively to society (Wright *et al.*, 2020) [32]. According to the National Housing Policy (2012) [21], accessible and affordable housing is essential for empowering individuals and communities, ultimately leading to sustainable social and economic development. Therefore, the fulfillment of housing needs not only enhances individual well-being but also supports broader societal advancement.

#### **b. The National Housing Fund (NHF) Scheme**

The National housing fund scheme was established by Act 3 of 1992 to enable Nigerians in all sectors of the economy, particularly those within the low- and medium-income levels who cannot afford commercial housing loans to own their own houses (Kolawole (2016). To achieve this, 2.5% of salary of every worker employed in the public service is deducted at source into the National Housing Fund. A major source of the funding of the scheme was to come from mandatory contribution of 2.5% of monthly salary of workers who earn N3000 and above per annum. Contributors are eligible to apply and obtain loans up to 90% of the cost of house they plan to build. One incentive of the scheme is that interest on the loans obtained is fixed at 6% throughout the life of the loan and long period of repayment could be up to a maximum of 30 years.

According to Adeniji (2005) [2] the NHF was established primarily to address the constraints to the mobilization of long-term funds for housing development and to ensure that every Nigerian has access to housing loans at affordable rates of interest. The fundamental concept which is a new approach to housing facilitation in Nigeria is to make the private sector the main source of housing finance.

The objectives of the NHF as outlined in the enabling Act are to

1. Facilitate the mobilization of funds for provision of affordable houses to every Nigerian;
2. Ensure the constant supply of loans to Nigerians for the purpose of building, purchasing and improving their houses;
3. Provide incentives for the capital market to invest in property development;
4. Encourage the development of specific programmes for effective financing of housing development, in particular, the low-cost housing for low-income workers;
5. Provide proper policy control to cover the allocation of services and funds between the housing sector and other sectors of the Nigerian economy;
6. Provide long-term loans to mortgage institutions for on-lending to contributors of the fund.

The major source of funds for the NHF is the contributions from workers. Contribution to the fund is compulsory for every Nigerian worker earning an income of N3,000 or more per year, as either a paid employee or self-employed person. All potential contributors to the fund are expected to be registered by the FMBN through their employers. To facilitate the deductions and remittances of contributions, each employer is expected to be registered. The self-employed individuals can, however, collect forms from any branch of FMBN nationwide. The number allocated to each contributor to the fund remains valid even after change of employment

Following the registration process, 2.5 per cent is expected to be deducted from a contributor's monthly salary and remitted to FMBN by an employer. Self-employed persons are to pay directly to any of the FMBN state offices.

Other potential sources of funds are

- a. The promise of re-capitalization by the Federal Government of Nigeria and additional equity injection from the CBN and NSITF;
- b. The response of the Nigerian capital market and other investors anchored on floating of mortgage backed-securities (MBS) by FMBN and sale of securities by the FMBN on account of its assets and government/ CB guarantees;
- c. The promise of higher turnover induced by efficient real estate developers to enhance utilization rate in the building materials industry; and the re-commencement of contributions by contributors to the NHF in compliance with the law setting up the Fund.
- d. A more recent window is the capital market option which is still in its infancy.

Access to the contributed funds which must be for the purpose of building, purchasing, expanding or renovating a residential accommodation is through a primary mortgage institution or PMI (Saving and Loans and Building Societies) or Government housing agencies, estate developers, cooperatives and thrift societies. A borrower under the scheme is entitled to a maximum amount of ~5 million with a repayment period of a maximum of 30 years. Repayment is expected to be made to the PMI where the loan was originally collected. The PMI in turn will remit all repayment to the FMBN (Adeniji, 2005) [2].

**Research Methodology**

The study employed a mixed-method research design, integrating quantitative and qualitative approaches to examine the effective implementation of the National Housing Fund (NHF) scheme for low-cost housing in South-East Nigeria. The study was conducted across the five states of the region Abia, Anambra, Ebonyi, Enugu, and Imo and targeted three key populations: low-income earners (1,365, obtained from the Directorate of the State Civil Service Commissions), mortgage institutions (295), and government agencies/policy makers (265). These groups were selected because of their direct involvement in, and influence on, the success of the NHF scheme.

The study constitutes of three categories of respondents and therefore determined the sample size of these three categories from the population as presented in Table 1 firstly, the sample size for Low-Income Earners was determined using Taro Yamane’s sample reduction formula as cited in Ogunoh (2018) while that of mortgage institutions and government agencies/policy makers will be selected based on established research practices.

$$n = \frac{N}{1+N(e)^2}$$

when n = sample size  
 N = population  
 e<sup>2</sup> = Margin of error (assumed 5%)  
 1 = unity or constant

$$\text{Therefore } n = \frac{1365}{1+1365(0.05)^2}$$

$$= \frac{1365}{1+1365 \times 0.0025}$$

$$= \frac{1365}{1+3.4125}$$

$$= \frac{1365}{4.4125} = 309.35$$

The sample size of 309 is therefore adopted for the low-income earners category.

For this study, a sample size ranging from 10-20% of the total population of mortgage institutions and government agencies/policy makers were purposively selected based on established research practices. This approach is often used in social science and related fields when working with specialized or expert groups. The rationale behind this range was that it allows researchers to obtain rich, detailed insights while keeping the sample size manageable for in-depth analysis. Methodology experts, such as Creswell and Plano-Clark, (2011) [8], suggest that purposive sampling is appropriate for selecting participants based on specific

criteria, with the sample size determined by the need for detailed data rather than general representativeness. Therefore, selecting a percentage of 16.95% and 16.87% the sample size for the mortgage institutions and government agencies/policy makers were be 50 each. The summary of the research sample size is shown in Table 1

**Table 1:** Summary of the sample size for the study

S/No	Target population	Sample size
1	State civil servants (Junior Level 1-6)	309
2	FMBN	50
3	Ministry of Works and Housing	50
	Total	409

The study used stratified random sampling and purposive sampling as its sampling techniques. Stratified Random Sampling was employed to select the target population of low-income earners, including state civil servants (Junior Level 1-6) across the five states in Southeast Nigeria, ensuring representation from various sublevels within the population. This approach helped capture a diverse and comprehensive set of responses. Purposive Sampling was utilized for selecting participants from mortgage institutions and government agencies/policy makers, such as FMBN staff and officials from the Ministry of Works and Housing. This non-random technique allowed the study to focus on specific individuals who have direct knowledge or involvement in housing policies and implementation.

Data were collected using structured questionnaires and semi-structured interviews. The questionnaire captured quantitative indicators such as affordability, accessibility, financing, and policy effectiveness, while the interviews provided qualitative insights into contextual and institutional issues affecting housing delivery. A purposive sampling approach guided the selection of interview respondents to ensure that key perspectives were included.

Quantitative data were analyzed with the Statistical Package for the Social Sciences (SPSS) version 22) using descriptive and inferential techniques, and results were presented in tables and figures. Qualitative data from interviews were subjected to thematic analysis and framework synthesis, enabling the identification of recurrent themes. Findings from both strands of analysis were integrated to develop a hypothetical framework for enhancing the effective implementation of the NHF scheme in South-East Nigeria.

**Results and discussion**

**Table 2:** Distribution of Questionnaire and Percentage Response

S/N	Participant Groups	Distributed Questionnaire	Returned Questionnaire	Completed Questionnaire	Response Rate (%)
1	Civil servant	309	305	282	92.5
2	FMBN staff	50	47	47	94
3	Government official	50	47	45	90
	Total	530	399	374	92.2

The response rates recorded in the Table 2 indicate a highly suitable level of participant engagement, with an overall response rate of 92.2%. According to Baruch and Holtom (2008), a response rate above 70% in organizational research is considered strong and enhances the reliability of the findings. In this case, the high response rates across

participant groups suggest that the collected data is representative and robust, contributing to the validity of the research conclusions. Such a high level of participation also implies that respondents found the questionnaire relevant and were motivated to provide accurate information, strengthening the overall credibility of the study.

**Table 3:** Socioeconomic Profile, Housing Conditions, and NHF Scheme Awareness Among Respondents (Civil Servant)

S/N	Question	Option	Frequency	Percentage
a	Salary income group	<₦70,000	106	37.7
		₦70,000 - ₦100,000	92	32.7
		₦101,000 - ₦150,000	50	17.6
		Above ₦150,000	54	12
		Total	282	100
b	Type of title do you have in the current place you are living	Direct ownership	64	22.6
		Rent	218	77.4
		Total	282	100
c	Level of satisfaction on their current house condition	Very Satisfied	14	5
		Satisfied	64	22.6
		Fair	92	32.7
		Dissatisfied	64	22.6
		Very Dissatisfied	48	17.1
	Total	282	100	
d	Affordability of Housing Purchase/Rent Relative to Monthly Income	Yes	34	12
		No	248	88
		Total	282	100
e	Willingness to Purchase Housing Outright if Financially Able	Yes	278	98.5
		No	4	1.5
		Total	282	100
f	Awareness of the National Housing Fund (NHF) Scheme	Yes	120	42.7
		No	162	57.3
		Total	282	100
g	Sources of Awareness about the National Housing Fund (NHF) Scheme	Personal study	14	11.8
		Training/seminar	28	23.5
		Friend /colleagues	7	5.88
		Payment slip	71	58.82
		Total	120	100
h	Ease of Access to NHF Scheme Information	Yes	64	22.6
		No	133	47.2
		Not sure	85	30.2
		Total	282	100
i	Income Group Satisfaction with NHF Scheme	Yes	28	10
		No	254	90
		Total	282	100

Table 3 presents the socioeconomic profile, housing conditions, and NHF scheme awareness among respondents (civil servant) The data on the salary income groups of respondents reveal that a significant proportion of the participants (37.7%) earn less than ₦70,000 monthly, with another 32.7% earning between ₦70,000 and ₦100,000. Only a small fraction, 12%, earn above ₦150,000. This distribution indicates that the majority of respondents fall within low to moderate income brackets, which underscores the critical need for affordable housing solutions tailored to low-income earners in Southeast Nigeria. Supporting this, the type of housing tenure data shows that a substantial majority, 77.4%, live in rented accommodations, while only 22.6% own their homes outright. This further emphasizes the housing affordability challenges faced by low-income earners and highlights the urgent necessity for schemes like the National Housing Fund (NHF) to provide viable paths to homeownership.

Regarding satisfaction with current housing conditions, the data shows that only a small portion of respondents (5%) are very satisfied, with 22.6% satisfied, but a larger percentage rate their conditions as fair (32.7%), dissatisfied (22.6%), or very dissatisfied (17.1%). These figures indicate widespread dissatisfaction with current housing quality and conditions, reflecting an unmet need for better housing standards. Moreover, the affordability of housing relative to monthly

income is a major concern, as 88% of respondent’s report that housing purchase or rent is not affordable given their earnings. Despite this, there is an overwhelmingly high willingness to purchase housing outright if financially able, with 98.5% expressing this desire. This gap between willingness and financial capability underscores the critical role that financial support schemes like the NHF should play.

Awareness of the NHF scheme is limited, with only 42.7% of respondents indicating they are aware of it. Among those aware, the majority (58.8%) learned about the scheme through payment slips, while fewer gained awareness through training/seminars (23.5%), personal study (11.8%), or friends/colleagues (5.9%). This suggests that communication about the NHF is largely passive and could benefit from more proactive, targeted outreach strategies. Additionally, ease of access to information on the NHF scheme is low; only 22.6% find it easy to access, whereas 47.2% do not, and 30.2% are unsure. Such limited accessibility of information likely contributes to the low level of engagement and uptake of the scheme. Consequently, satisfaction with the NHF among respondents is also very low, with only 10% expressing satisfaction. This data collectively points to significant barriers in both awareness and accessibility of the NHF scheme, highlighting a critical area for improvement in policy and

implementation to ensure the fund effectively enhances adequate housing provision for low-income earners in the region.

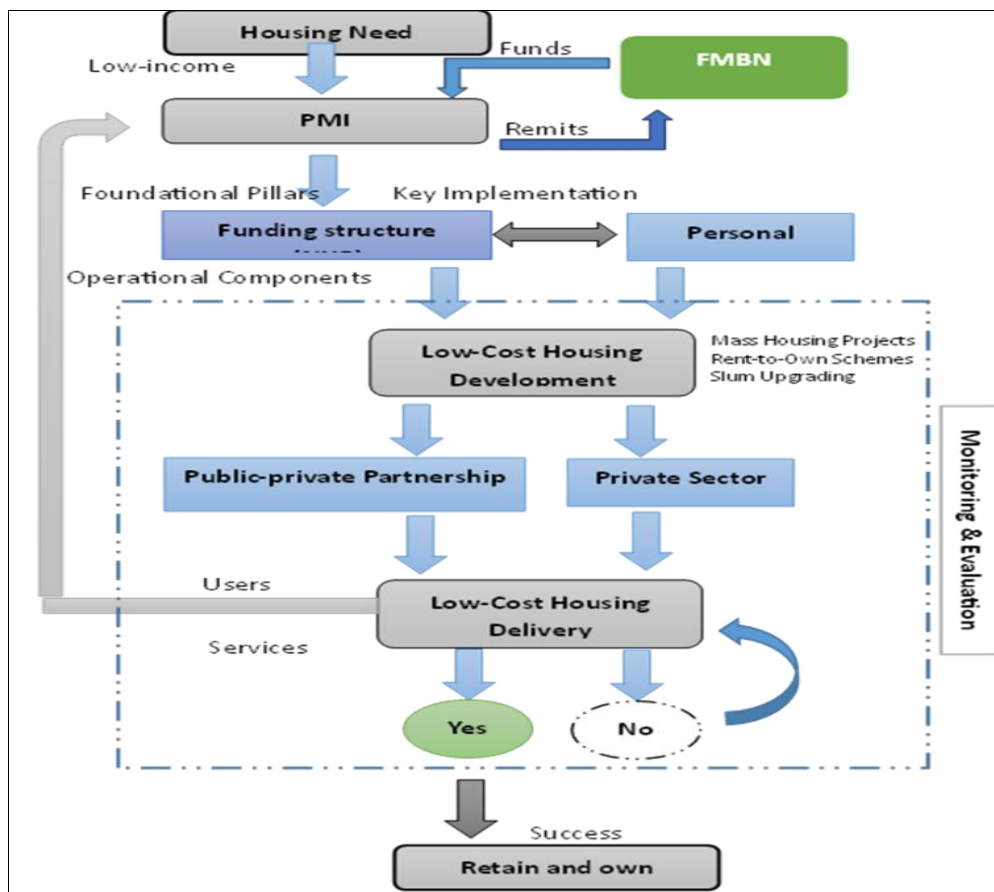
**Table 4:** Perceived Effectiveness of the National Housing Fund (NHF) Scheme in Delivering Affordable Housing to Low-Medium Income Earners

S/N	Option	Frequency	Percentage
1	Very Effective	8	9
2	Effective	11	12
3	Fair	5	5
4	Not Effective	31	34
5	Not Very Effective	37	40
	Total	92	100

The data presented in Table 4. reveals respondents' perceptions of the effectiveness of the National Housing Fund (NHF) scheme in delivering affordable housing to low- and medium-income earners in the study area. The results indicate a general sense of dissatisfaction with the performance of the scheme. A combined total of 74% of respondents rated the NHF as either "Not Effective" (34%)

or "Not Very Effective" (40%), highlighting widespread concerns about the scheme's ability to meet its intended objectives. This strong negative perception suggests that the scheme may be limited by structural inefficiencies, lack of accessibility, insufficient funding, bureaucratic bottlenecks, or an inability to align with the realities of low- and medium-income earners.

Only a small proportion of respondents viewed the scheme positively. Specifically, 9% rated it as "Very Effective" and 12% as "Effective," indicating that while some beneficiaries may have had favorable experiences, these instances are significantly outnumbered by negative assessments. Additionally, 5% rated the scheme as "Fair," which may reflect mixed experiences or uncertainty about its impact. Overall, the data paints a picture of a well-intentioned but underperforming initiative. This calls for a critical reassessment of the NHF scheme's operations particularly its inclusiveness, transparency, affordability of interest rates, ease of access, and the adequacy of the houses provided under the scheme. Strengthening these components may be necessary to enhance its effectiveness and rebuild trust among the target beneficiaries



Source: Modified from Mhlongo, Gumbo, Musonda and Moyo (2024)

**Fig 2:** A hypothetical framework for an effective implementation of the National Housing Fund (NHF) scheme for low-cost housing in South East Nigeria.

**Caution:** The proposed framework should be applied with caution because it has not been validated and therefore hypothetical at this stage. The framework for an effective implementation of the National Housing Fund (NHF) scheme for low-cost housing in South East Nigeria (see Fig 2) is premised on a systemic, multilevel process that integrates institutional, financial, operational, and socio-cultural components. It seeks to address the endemic

housing inadequacies faced by low-income earners in Nigeria, many of whom operate within the formal economy. This framework, therefore, responds to the urgent need for a decentralized, inclusive, and performance-based housing delivery system anchored on equity, accessibility, and sustainability.

The first component in the framework is housing need identification; wherein low-income earners articulate and

prioritize their housing needs. This stage is vital as it provides the demand-side impetus for state and institutional intervention. The theoretical underpinning for this approach aligns with participatory housing development models (Turner, 1972; UN-Habitat, 2021), which advocate for end-user involvement in the planning, design, and execution of housing projects to ensure relevance and long-term usability.

Subsequently, the Federal Mortgage Bank of Nigeria (FMBN) assumes the role of the funds primary administrative and coordinating institution, responsible for managing access to NHF loans. These funds are to be accessed through the PMIs. This stage hinges on the adequacy of awareness creation and public education, particularly among vulnerable populations.

The success of this process is contingent upon the effectiveness of institutional communication strategies, consistent with the institutional theory which posits that public sector performance is shaped by the congruence between organizational goals and stakeholder engagement. FMBN, as the central implementing agency, must leverage mass media, community-based platforms, and digital technologies to broaden public understanding of NHF processes.

The framework's funding structure is centered on the National Housing Fund, which represents the principal financing mechanism for low-cost housing delivery. The structure comprises three interdependent layers: foundational pillars, key implementation drivers, and operational components (see Table 4.29). The foundational pillars provide the normative basis for fund deployment. These include affordability and accessibility, which call for interest rate subsidies and a simplified documentation regime tailored to the economic realities of low-income households. Equity and inclusiveness further require prioritization of actual contributors, gender mainstreaming, and representation of vulnerable groups in the distribution process. The third pillar, sustainability, integrates local resource utilization and capacity building for artisans, thereby promoting environmental resilience and economic empowerment.

The key implementation drivers operationalize these normative principles by addressing systemic constraints and policy misalignments. Strategic measures include broadening the contributor base particularly among informal workers, digitizing contribution systems, enhancing financial transparency, and enacting an integrated legal framework for NHF administration. These strategies are designed to align with the policy coherence model in development planning (OECD, 2019), which underscores the need for horizontal coordination among institutions and vertical integration between federal and sub-national housing policies. Furthermore, partnerships with primary mortgage institutions (PMIs), cooperatives, community-based organizations, and private developers are proposed to deepen financial penetration and expand housing options.

The third layer of the funding structure encompasses operational components, which focus on administrative streamlining and beneficiary support. Priority is placed on low-income earners and workers in the informal sector, who are often excluded from formal housing markets. Bureaucratic simplification, defined timelines for loan processing, and beneficiary education on repayment obligations and homeownership are central to this

component. Importantly, flexible mortgage terms are advocated, recognizing the irregular income profiles of most informal workers.

In addition to NHF financing, personal savings constitute a supplementary funding source. Although often modest, these savings enhance financial inclusion and reflect the incremental housing development philosophy supported in global housing finance literature (Payne *et al.*, 2015). Following this, the development of low-cost housing is actualized through several strategies: mass housing projects implemented via public-private partnerships; rent-to-own schemes tailored for low-income households with flexible tenure security; and slum upgrading initiatives, which improve the living conditions in informal settlements without displacing residents.

The framework also incorporates public-private partnerships (PPPs) as a core implementation mechanism. Through strategic alliances between FMBN and private developers, mass housing projects can be delivered at scale, leveraging private capital, technical expertise, and innovative designs. Concurrently, the model accommodates private sector engagement, whereby individuals or cooperatives in the low-income bracket can directly negotiate and co-develop housing units with private developers under structured and supervised arrangements.

The delivery phase entails the physical handover of housing units to eligible beneficiaries, followed by a structured repayment process either through gradual installments or lump sum payments. This repayment feeds into a revolving fund mechanism, thereby ensuring the financial sustainability of the NHF scheme. The revolving nature of the fund aligns with the concept of circular financing in social housing, where recovered loans are reinvested into future projects, ensuring long-term continuity.

An embedded monitoring and evaluation (M and E) component ensure that the framework remains adaptive and accountable. M and E activities include periodic performance tracking (e.g., number of units completed, repayment rates), independent audits to ensure fiscal transparency, and the establishment of feedback loops for continuous improvement. The inclusion of beneficiary feedback enables responsive programming and reinforces the principles of participatory governance.

The framework culminates in retention and ownership, wherein beneficiaries assume full legal title upon fulfillment of loan conditions. The success of the framework is measured through predefined success indicators, including the percentage of low-income earners who accessed NHF loans, number and occupancy rate of completed housing units, beneficiary satisfaction levels, loan default rates, and timeliness in fund disbursement and project delivery.

This comprehensive and dynamic framework will not only facilitate the functional delivery of low-cost housing for low-income earners in Nigeria but also addresses broader concerns of institutional effectiveness, social justice, and sustainable urban development. When appropriately implemented, it has the potential to significantly reduce the housing deficit, promote financial inclusion, and stimulate economic growth in the construction and housing sectors.

## Conclusion

The study established that the National Housing Fund (NHF) scheme, though designed to enhance access to affordable housing, is largely ineffective in South-East

Nigeria due to low awareness, bureaucratic bottlenecks, limited accessibility, and inadequate financing structures. The majority of respondents, particularly low-income earners, expressed dissatisfaction with the scheme, despite a strong willingness to own homes if financially supported. To address these gaps, this study developed a systemic framework that emphasizes participatory housing need identification, streamlined financing, institutional coordination, and sustainable housing delivery mechanisms. For the NHF scheme to achieve its objectives, government and implementing agencies must strengthen public awareness through targeted communication, simplify loan access processes, and introduce flexible, affordable repayment structures. Strategic partnerships with private developers, cooperatives, and community-based organizations should be pursued to expand housing supply through mass housing and rent-to-own schemes. Furthermore, institutional reforms, policy coherence, and embedded monitoring and evaluation mechanisms are essential to enhance transparency, accountability, and long-term sustainability of the scheme.

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