PRIMARY MORTGAGE INSTITUTIONS FINANCING OPTIONS AND HOUSING SECTOR DEVELOPMENT IN NIGERIA

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ABSTRACT

Among, the necessities of life, food, clothing, and shelter are the three most important needs that an individual requires and that must be made available by the government of a nation to its populace, but in Nigeria shelter has continuously become a menace among the citizens. Based on this lacuna, this study examined the impact of primary mortgage institution financing options and housing sector development in Nigeria. The study adopted ex-post facto research design where panel data was sourced from audited financial statements of eight (8) primary mortgage institutions in Nigeria, from the year 2011 to 2022. The convenience sampling technique was used in selection of the mortgage banks for data availability purposes. The panel regression estimation technique was applied on the model intending to examine the impact of the financing option of customer deposit, national housing fund, development loan, and shareholder equity on housing development proxied with urban population. The findings from fixed effect model revealed that national housing fund and shareholder’s equity have positive and significant effect on the urban population while customer deposit has negative and significant effect on urban population in Nigeria. It is concluded that national housing fund in the treasury of the primary mortgage institutions should be channeled accurately with the required interest thereby improving on the housing development in the economy.

Keywords: Financing options; Mortgage institutions; Housing development

JEL Classification: R31, G21

1.0 INTRODUCTION

The National Housing Policy of Nigeria (2012) described housing as the process of providing adequate, affordable, recognizable, and attractive shelter in a proper location within a neighbourhood, supported by ongoing maintenance of the built environment for the daily living activities of individuals and families within the community, while reflecting their socioeconomic and cultural aspirations and preferences. Housing is commonly acknowledged to be vital and central to man's continued existence and prestige in all culture (Okidi & Ellah, 2013). Moore (2019) theorized that housing is a good and reliable measure of the degree of an individual's welfare in society. Sanusi (2003) posited that housing is important to the welfare and prosperity of a nation, as it directly influences the wealth of the people and also serves as a basic fulcrum for other sectors of the country to stand. While housing has remained a great indicator of a person's quality of life in many countries, provision of affordable housing remained a major challenge in Nigeria (Moore, 2019). According to Oladapo (2006) Nigeria's housing shortage is a result of both qualitative and quantitative flaws in the available housing units.

Nigeria, which has a population of roughly 219 million (World Population Review, 2022), has a severe demand and supply mismatch in residential housing. The National Bureau of Statistics reports that Nigeria's housing and real estate industry, as a sub sector of the country's economy, accounts for about 5.4% of the nation's Quarter 1, 2022 Gross Domestic Product, valued at over N45Trillion. However, in comparison to other countries, home ownership percentage is abysmally low, with access to affordable housing remaining largely a mirage to many Nigerians, thus creating a huge housing deficit in the country (Ojoko et al., 2016; Adediran et al., 2020). The potential cost of overcoming this deficit is also believed to be growing at an alarming rate. Furthermore, it has been established that among all other relevant factors contributing to the rapidly growing housing deficit, the triple problems of high building material costs, rapid population growth coupled with rural-to-urban migration/urbanization, and insufficient finance, are the main ones (Akanni, Oke, & Omotilewa, 2014). As it applies to all sectoral developments, housing construction requires finance as a crucial component. Consequently, the significance of housing financing and an efficient and effective housing finance system in housing development cannot be overemphasized (Popoola & Alamu, 2016). However, the dearth of adequate and affordable finance has been linked as a major obstacle to affordable house acquisition in Nigeria (Nubi, 2005; Emoh & Nwachukwu, 2011; National Housing Policy, 2012). Therefore, insufficient funding continues to be a key obstacle to the effective provision and acquisition of affordable housing in Nigeria. (Folorunsho, Khan & Olowoyo, 2012). Although equity funding is important, it typically isn't enough as a sustainable platform for housing development (Ogunba, 2009). Hence, making borrowing to finance housing development unavoidable. Nonetheless, in Nigeria, borrowing or debt financing which should serve as a buffer to equity finance is characteristically scarce and ineffectual because of it is expensive and unaffordable, with high-interest rate, and tough repayment conditions (Emoh & Nwachukwu, 2012).

To revamp the system of housing financing in Nigeria, special focus is placed on reinventing the mortgage market. The enactment of the National Housing Fund Act 2018 as amended, was aimed at expanding the mortgage market in the country. The Act established the Primary Mortgage Institutions (PMIs) which are to serve as primary originator of mortgages for Nigerians with the additional mandate to facilitate the populace's access to affordable mortgage loans by accessing the National Housing Fund Loan. The creation of the PMIs was projected to boost private sector involvement and investment in housing development in the country (FMBN Operational Manual, 2015).

The Nigerian mortgage finance industry comprises a few functional actors which are majorly affiliates of commercial banks, quasi government agencies, PMIs and building societies (Adejuwon & Fashina, 2021). The industry is controlled by the primary mortgage market but lacks a vibrant and thriving secondary market (Ojo, 2009; Ukpai et al., 2013). As a result, the mortgage industry has access to limited finance options, and has remained stagnant. Although the Federal Mortgage Bank of Nigeria (FMBN) was instituted to stimulate both the primary and secondary mortgage market. Studies have established that it has not meet up with demands and has failed to have any significant influence on housing development in Nigeria. (Ogedengbe, 2004; Dung-Gwong & Mallo, 2010; Ibrahim, Daud, & Sa'ad, 2021). The failure of the FMBN to stimulate the mortgage market at both the retail and wholesale ends has remained a major factor inhibiting the capacity and effectiveness of the PMIs in addressing the housing challenge confronting the country. Other limitations preventing the PMIs from accomplishing their objectives include undercapitalization, inability to obtain inexpensive long-term financing, inability to finance long-term loans, and weak corporate governance structure. Aside from these, the PMIs have shifted their operational focus away from supporting housing development toward other endeavors. These have hampered their efficient operations, and ability to contribute to housing development (Shuaribu & Aliyu, 2018). Based on this present lacuna in the hosing financial sector this study intends to examine the impact of the financing options available in the primary mortgage institutions on their specific contribution to housing development in Nigeria.

2.0 LITERATURE REVIEW

2.1 Conceptual Review

Various economic literatures have drawn special focus to housing as a concept, however, there is no conventional definition. This lack of consensus started with the early researchers whose attempt to explain the concept "housing" resulted in divergent submissions. While housing as a concept has not commanded a consensus definition among scholars, recent attempts by scholars have shown that various definitions can be closely linked to convey some important realities. For instance, according to Popoola and Alamu (2006), housing is a combination of service-oriented undertakings, which interfaces with other segments of the country's economy such as the financial institutions, public and private sector, and the environment. Magbogunje (2004) posited that housing is much more than a chalet, but as should be seen as a major part of the foundations of neighborhood life and aggregate social setting.

Housing is a complex product that is central to a country's growth. Housing accounts for a sizable amount of household consumption and savings, in microeconomic terms. In Nigeria, the averages cost of housing, makes up a significant portion of household spendings (Denis, 2011; Keke, Egolum & Emoh, 2021). Hence, housing development has always been a major driver in the nature, function, and appearance of towns and cities in which we live and work. Moore (2019) posited that the housing ecosystem has remained the mechanism of growth in many countries, especially in the area of creating employment for skilled and unskilled labour. This position is supported by Maimbo (2021), who submitted that the strengthening of the housing sector is key to the achievement of long-term, sustainable development for discerning countries. This position is supported by Kolawole (2015), who claimed that empirical studies from other countries showed that strengthening the housing sector, especially through private residential investments supports economic growth.

According to UN-Habitat (2012), finance is the process of acquiring funding or capital, usually for the goal of securing control over assets to support a development and/or investment. It can thus be inferred that housing finance refers to funding provided to a person, a group of people, or a cooperative to buy or construct a home. In other words, housing finance refers to the finance geared towards meeting housing-related needs, such as acquisition, construction, extension of a house. Olotuah (2009), described housing finance system has a framework of tenets, processes, and connections within the housing ecosystem to support the process of creating capital and lending in the housing industry.

There are various options available for housing finance. Efforts have also been made to classify these options. Hines (1995) classified these options as methods. He revealed six major options namely, mortgage lending, institutional unsecured lending, debt and equity financing for joint ventures, funding for leaseback sales, upfront payments, and securities sales. Ibrahim et al., (2021) classified these options as either Internal or External sources. In their classifications, internal sources were identified as fund generated in form of estate income, such as rent income, while external sources are any income aside from the real property, which comprise loan capital, equity capital, associate (joint venture), and accidental riches. Nubi (2000), classified options of housing finance as either traditional or modern methods. Oduwaye, Oduwaye, and Adebamowo, (2008) classified the structure of housing finance as either informal or formal Sector. Family savings and the traditional cooperative system are examples of informal sectors, in contrast, the formal sector includes both non-specialized banks and institutions that specialize in housing financing. Given the high rate of poverty in our economy today, only a relatively small part of the population can finance house development exclusively from personal savings. Okonkwo (2004) and Adegoke (2021) observed that while the affluent could afford to build houses, others in lower income brackets would need various forms of financial support. According to Akinwunmi (2009), people will be encouraged to develop savings lifestyles if they are sure of having access to mortgage loans. He added that housing finance has an impact on the financial forms that savings take in countries where the general public is sufficiently informed and engaged to participate in the housing finance system.

2.2 Theoretical Review

These theories include the supply-leading hypothesis theory, title and lien theory of mortgages and augmented with the theory of financial intermediation. The title theory posits that, after the mortgage contract is signed, the title to the mortgaged asset or property is moved from the borrower to the mortgagee, who keeps it until the loan is repaid at which point it is transferred to the mortgagor. The mortgagee is presumed to hold onto the title up until the loan is settled and the property has been foreclosed. According to the title theory, the title to the property or security that is the subject of a mortgage is passed to the lender upon signature of the mortgage contract. As a result, title is given to the mortgagee, who will hold onto it until the mortgage is repaid and then give it to the mortgagor. The mortgagee is stated to still hold title up until the mortgage is paid off and the property is foreclosed. The lien theory, on the other hand, postulates that a mortgage constitutes a charge or lien against the property and that it establishes a lien in the lender's favour, while the borrower (mortgagor) retains ownership and title, that is, both the legal and equitable titles. Although an interest has been transferred, the mortgagor still maintains legal and equitable title to the property, and the mortgagee may only foreclose on that interest to satisfy the mortgagor's debt. The ability to use the foreclosure process by the mortgagee is analogous to possessing a future stake in the property. A mortgage or security interest is the kind of interest that entails a claim against the property. This argument contends that a default creates the right to possession. The mortgagee is subject to legal action for any infringement of the mortgagor's right to possession (Buckley and Kalarickal, 2004; Nakiwala, Mukiibi, and Kigundu, 2022). The kind of interest that encumbers the property is known as a security interest or mortgage. The claim made under this argument is that default establishes the right to possession. For any violation of the mortgagor's right to possession, the mortgagee is liable in court (Buckley and Kalarickal, 2004; Nakiwala, Mukiibi, and Kigundu, 2022).

The supply leading theory depicts that the first person to explain the connection between finance and economic growth was Schumpeter in 1911. According to Schumpeter, a robust financial sector is required for the real sector to grow and subsequently fuel economic growth. It follows that the extent or degree of financial sector development should control the rate of economic growth. Furthermore, it is anticipated that as the financial sector expands, financial services will become more readily available. Goldsmith initially put forth the supply leading hypothesis, commonly referred to as the "finance-led growth" concept, in 1969. He argued that the expansion of the financial industry contributes to economic growth since it may increase levels of saving and investment or increase the efficiency of capital accumulation, as proposed by McKinnon and Shaw in 1973. The theory holds that if financial institutions were present and their financial assets, liabilities, and related financial services were accessible before consumer demand, resources could be smoothly transferred from surplus to deficit units, outpacing the expansion of other economic sectors. The Hypothesis goes on to claim that the growth of the financial industry results in the most effective utilization of resources (Hurlin & Venet, 2008). The idea is that the existence of financial institutions and the accessibility of their financial assets, liabilities, and associated financial services prior to consumer demand would enable an efficient transfer of resources from surplus to deficit units, outpacing the expansion of other economic sectors. In 1996, Patrick. Furthermore, according to the Hypothesis (Hurlin & Venet, 2008), the expansion of the financial industry leads to the most efficient use of resources.

From the scholar of the financial intermediation theory hold that financial development is crucial for increasing productivity in all areas of the economy. For a number of reasons, different businesses, individuals, and other economic agents require money. There are numerous organizations that offer financial services that can supply the necessary funds. These organizations are referred to as financial institutions. Primary Mortgage Institutions are among such institutions that render financial, with special focus on the creation of mortgage financing. The Primary Mortgage Institutions are a category of the organizations described as financial intermediaries because they assist in the financial intermediation and economic growth of the mortgage industry. These financial intermediaries are essential to a nation's financial system because they move cash to the deficit economic entities from the surplus economic entities (Bouzid and Raddhia, 2014).

The theory of financial intermediation, according to Tiwari and Moriizumi (2003), is founded on the concepts of transaction cost, agency theory, and the theory of informational asymmetry. According to the hypothesis, money is transferred between surplus and deficit agents through financial intermediaries. Although studies of the theory of financial intermediation began in the 1960s, Goldsmith (1969), Shaw (1973), and Mckinnon (1973) were the first to formalize and popularize the theory. All three of these authors proposed that financial markets—both capital markets and money markets—play essential roles in economic development and attributed the differences in economic growth between nations to financial institutions' service offerings, both in terms of range and quality. According to the theories of financial intermediation, financial intermediaries like money/deposit-taking banks and the Primary Mortgage Institutions are expected to contribute to the economy’s growth in a variety of important ways (Merton, 1995). The provision of a payment system as a means of exchanging products and services, the development of mechanisms for the pooling of funds for large-scale investments, and the provision of efficient means to transfer economic resources across time, geographical regions, and industries are among these functions.

2.3 Empirical Review

Ibrahim, Daud, and Saad (2021) examined sources of real estate financing in Nigeria and how it affects property development. The analysis highlighted Nigeria's varied internal and external financial sources. The study examines existing theories. The review being a hypothetical paper, would have improved in the event that a hypothesis was connected and addressed to the experimental enquiry. Ekadochnikova, Bulatova, Safiullina, and Suycheva (2020) looks to lay out determinants of home loan advance in the Russian economy. The study used quarterly Russian statistical data from 2015 to 2020 to conduct a regression analysis of mortgage loans granted volume factors in Russia. It found that the dynamics of mortgage loans granted volume had a positive dynamic, indicating that the national market for housing mortgage is expected to continue actively developing and expanding. The study also posited that the Russian economy indicated a likely credit bubble problem.

Nnenna and Onyenwe (2020) investigated the impact of housing loans issued by Primary Mortgage Institutions on Nigerian human development from 2000 to 2018. The dependent variable was Index of Human Development. While the independent variables were investments, deposits, and mortgage loans provided by primary institutions in the mortgage industry. The finding demonstrates that primary mortgage institution deposits have positive but insignificant effects on human development, while primary mortgage institution investments and loans have negative and insignificant effects. The foundation of the model formulation is superficial. Yinusa, Ilo, & Elumah (2017) investigated into how mortgage finance affects the development of housing in Nigeria and also investigated into the relationship between financing of housing and the development of the industry. The dependent variable was urban population growth; the independent variables were mortgage loans from microfinance banks, mortgage loans from primary mortgage institutions, and housing allocation from the government. Inferences were made for the study's objectives utilizing descriptive statistics and regression analysis. The discoveries uncover that Microfinance Bank credits to contract adversely affect lodging improvement, while essential home loan credits to contract impact lodging advancement in the Nigeria and government distribution to lodging impacts lodging advancement. The review misses the mark on hypothetical structure. Using another related macro variable to examine their relationship could strengthen the study.

Egolum, Emoh, & Onyeyiaka (2017) looked into the various sources of money that private developers of housing can use to increase the supply of housing in Nigeria. The study employed a theoretical review. The study was able to give a theoretical illustration of the different categories of alternative fundings available to private and public institutions. The study lacks a theoretical framework. The study would have been more robust if the institutions identified in terms of their different mortgage aid their give the citizens of different classes. Atamewan, Eyo, & Effanga (2017) evaluated the accessibility and availability of mortgage financing that is sustainable for housing provision in Nigeria. This study inspected into the accessibility and openness to contract finance in Nigeria utilizing Cross Waterway College has a contextual analysis. Simple statistics as well as percentage and content analysis were used in the study. The review portrays that for reasonable housing conveyance to be feasible in Nigeria, key interest in housing framework and housing finance is non-debatable and should be completely supported by the public authority, as it is the establishment for financial development and worked on way of life of the general population. The review utilizing the contextual investigation of Cross Waterway College may not be sufficiently legitimate to give proposal for the whole lodging industry.

Udoka, Owor, & Kpataene (2017) look into how mortgage loans affect housing development in Nigeria. According to the study, there is an apparent connection between the rise of Nigerian housing and mortgage lending. Housing development in Nigeria was negatively impacted by the cost of construction, however it was positively and significantly impacted by factors like mortgage loan interest rates. Further investigation found that mortgage investments were negatively impacted by inflation while positively impacted by mortgage bank deposits. The theory and the developed model could not be connected in the study. The study failed to make a connection between the theory and the developed model. The empirical review is not sufficient for the scope of the study. The study would have included some other housing macro-economic variables. Geiger, Muellbauer, & Rupprecht (2016) investigate the connections that exist between income, consumption, and household portfolios in Germany. Between 1980 and 2012, The results showed that Germany differs significantly from in terms of consumption and house price: Consumer spending does not increase as a result of rising house prices. This recommends that the transmission of money related arrangement through resource costs, specifically house costs, on utilization is probably going to be less powerful, and any monetary gas pedal more vulnerable, in Germany than in the US or the UK. By 2012, there is not much proof that house prices in Germany were overvalued.

Oduwaye, Oduwaye, & Adebamowo (2015) attempted an extensive investigation of mortgages in Nigeria. The study looks at how Primary Mortgage Institutions operate and the challenges they face while trying to finance housing in Lagos. Tables, bar charts, and the simple frequency distribution are used in the study. The review proposes that the NHF strategy ought to be checked on, and that administration ought to give impetuses, for example, charge discount for building materials maker. The review misses the mark on hypothetical structure. The study would have included linear regression in order to view the level of loan disbursement of the Primary Mortgage Institutions in Nigeria. Amadi-Echendu (2014) compared mortgage financing in South Africa, Australia, Canada, Singapore, New Zealand, and the Netherlands. In the study, information was triangulated using literature reviews and mixed methods. The study concluded that mortgage origination in South Africa has not yet been regulated, and that there is a lot that can be learned from other countries in this regard. In contrast, other countries have legislated the regulation of the origination business by distinct professional groups.

3.0 METHODOLOGY

3.1 Research Design

This study employed the ex-post facto research design. The population of the study are the thirty-two primary mortgage institutions granted permission by the Central Bank of Nigeria to participate in mortgage origination and other mortgage-related activities with the Federal Mortgage Bank of Nigeria. The convenience sampling method was used to select eight (8) of the primary mortgage institutions. The institutions are Jubilee Life Mortgage Bank, Haggai mortgage bank, Abbey mortgage bank, Infinity Trust Mortgage Bank, AG Mortgage Bank, Living Trust Bank; Homebase Mortgage Bank; and Gateway Mortgage Bank. The panel data was sourced from the financial information of the organisation from 2011 to 2022. An econometric model explaining the effect of the independent variables (financing options of primary mortgage institutions) on the explained variable (housing development), which is represented by yearly urban population, was utilized as the model specification for this study. This study adopted models used by Yinusa, Ilo and Elumah (2017), Udoka, Owor and Kpataene (2017), and Nnenna and Onyenwe (2020).

3.2 Model Specification

$$\mathrm{URBAN}_{it} = f(\mathrm{CUD}, \mathrm{EQ}, \mathrm{NHF}, \mathrm{DEV\_LOANS}) \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 1$$

$$\mathrm{URBAN}_{it} = (\alpha_0 + \beta_1\mathrm{CUD}_{it} + \beta_2\mathrm{EQ}_{it} + \beta_3\mathrm{NHF}_{it} + \beta_4\mathrm{DEV\_LOANS}_{it} + \mu_{it}) \ldots\ldots\ldots\ldots 2$$

Where;

URBAN= Urban population at time t

CUD= Customer Deposit at time t

NHF= National housing fund at time t

DEVL= Development loan at time t

EQ = Shareholders' Equity at time t

$\beta_1 - \beta_4$ = Coefficient of the independent variables.

μ = error terms

4.0 RESULTS AND DISCUSSION

4.1 Descriptive Analysis

Table 1.1 shows the descriptive statistics of all variables used in this study.

Table 1.1: Descriptive Statistics

	URBAN	CUD	EQ	NHF	DEV_LOANS
Mean	7.942628	9.166324	9.418053	8.837467	8.239957
Median	7.944581	9.261464	9.474117	8.665368	8.440468
Maximum	8.034399	10.16523	9.858692	9.622416	9.557303
Minimum	7.844988	7.640792	7.604083	7.917490	6.667619
Std. Dev.	0.060157	0.571481	0.499457	0.433037	0.959141
Skewness	-0.077291	-0.674271	-2.044518	0.145552	-0.144871
Kurtosis	1.791540	2.563789	7.155129	1.787970	1.425287
Jarque-Bera	5.442330	7.365776	124.6128	5.697116	9.400126
Probability	0.065798	0.025150	0.000000	0.057928	0.009095

Sum	698.9513	806.6365	828.7886	777.6971	725.1162
Sum Sq. Dev.	0.314845	28.41339	21.70277	16.31431	80.03582

Source: Author's Compilation (2023)

Table 1.1 depicts the descriptive statistics of all variables used in the study. URBAN (Urban population) has a mean value of 7.94%, median value of 7.94%, and standard deviation has a variation value of 0.06. CUD (Customer deposit) has a mean value of 9.1%, median value of 9.2% and standard deviation of 0.57%. EQ (Shareholder's equity) has a mean value of 9.41%, median value of 9.47% and standard deviation has a variation value of 0.49. NHF (National housing fund) has a mean value of 8.83%, median value of 8.6% and standard deviation value of 0.43. Development loan has a mean value of 8.23%, median value of 8.44% and standard deviation has a variation of 0.95%. The minimum value and maximum value of the variables includes; URBAN (Urban population) has a minimum value of 7.84 and maximum value of 8.03. CUD (Customer deposit) has a minimum value of 7.64 and maximum value of 10.1. EQ (Shareholder's equity) has a minimum value of 7.60 and maximum value of 9.85. NHF (National housing fund) has a minimum value of 7.91 and maximum value of 9.62. Development loans have a minimum value of 6.66 and maximum value of 9.55. The skewness in the variables includes; URBAN (Urban population) is negatively skewed at -0.07. CUD (Customer deposit) is negatively skewed at -0.67, EQ (Shareholder's equity) is negatively skewed at -2.04, NHF (National housing fund) is positively skewed at 0.14, Development loans is negatively skewed at -0.14. The Kurtosis in the variables include: URBAN (Urban population) is leptokurtic at 1.79, CUD (Customer deposit) is leptokurtic at 2.56, EQ (Shareholder's equity) is platykurtic at 7.15, NHF (National housing fund) is leptokurtic at 1.78, Development loans is leptokurtic at 1.42. The Jarque-Bera statistics includes: Urban population is 5.44 at 0.06 which is indicating the variable is normally distributed. CUD (Customer deposit) is 7.36 at 0.02 which is indicating the variable in not normally distributed. EQ (Shareholder's equity) is 124.6 at 0.000 which is indicating the variable is not normally distributed. NHF (National housing fund) is 5.69 at 0.05 which is indicating the variable is not normally distributed. Development loans is 9.4 at 0.00 which indicates the variables is not normally distributed.

4.2 Correlation Result

Table 1.2 depicts the correlation matrix between the dependent variable and independent variables, on one hand, and among independent variables, on the other hand.

Table 1.2: Correlation Matrix

	URBAN	CUD	EQ	NHF	DEV_LOANS
URBAN	1.000000				
CUD	0.412446	1.000000			
EQ	0.540878	0.584863	1.000000		
NHF	0.027252	0.027973	0.054629	1.000000	
DEV_LOANS	-0.048314	-0.004168	0.108735	0.023550	1.000000

Source: Author's Compilation (2023)

Table 1.2 depicts that CUD (Customer deposit), EQ (Equity) and NHF (National housing fund) have positive relationship with URBAN (Urban population) at a value of 0.41, 0.54, 0.02 and Development loans have negative relationship with urban population at -0.04.

4.3 Regression Analysis

Table 1.3 depicts the regression estimates.

Table 1.3: Regression Estimates

Variable	Pooled	Fixed	Random
C	7.3271 (0.000)	7.9426 (0.0000)	7.9426 (0.0000)
CUD	0.0143 (0.2298)	-3.2462 (0.0000)*	4.1876 (0.8700)
NHF	-1.3786 (0.9999)	8.6776 (0.0032)*	1.9786 (0.0300)*
DEV_LOANS	-0.0062 (0.2827)	1.0365 (0.4009)	-4.6778 (0.0600)**
EQ	0.0568 (0.0001)*	1.4678 (0.0001)*	5.5509 (0.0100)*
R^2	0.3162	0.7680	0.7600
Adjusted R^2	0.2832	0.9800	0.7481
Durbin Watson	0.2060	1.4536	0.0993
F-Statistics	9.5961	1.9698	0.0000
Prob (F-statistics)	0.0000	0.0000	1.0000
Hausman Test	0.0200		

p<0.05*; p<0.1*

The pooled regression model results depict that CUD (Customer deposit) has a positive relationship with the Urban population of the selected primary mortgage institutions in Nigeria and is statistically insignificant to Urban population. NHF (National housing fund) and Development loans has a negative relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically insignificant to Urban population. EQ (Shareholder's equity) has positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically significant to Urban population. The coefficient of determination using adjusted R^2 shows that the explanatory variables (CUD, NHF, DEV_LOANS, EQ) explained 31.62% percent variation in the primary mortgage institutions in Nigeria. That is 28.32% are explained by other variables not included in the model. The overall statistical level of the model depicts that the model is good for forecasting giving the F-statistics of 9.56 and its probability of 0.000. Since the p-value is less than 0.05, hence we concluded that model is statistically significant and brings about the rejection of the null hypothesis. The means that CUD (Customer deposit), NHF (National housing fund), Development loans and EQ (Shareholder's equity) have significant effect on primary mortgage institutions in Nigeria.

The fixed effect regression model results depicts that CUD (Customer deposit) has negative relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically significant to Urban population. NHF (National housing fund) has a positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically significant to Urban population. Development loans have a positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically insignificant to Urban population. EQ (Shareholder's equity) has positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically significant to Urban population. The coefficient of determination using adjusted R^2 shows that the explanatory variables (CUD, NHF, DEV_LOANS, EQ) explained 76.80% percent variation in the primary mortgage institutions in Nigeria. That is 98.00% are explained by other variables not included in the model. The overall statistical level of the model depicts that the model is good for forecasting giving the F-statistics of 1.96 and its probability of 0.000. Since the p-value is less than 0.05, hence we concluded that model is statistically significant and brings about the rejection of the null hypothesis. The means that CUD (Customer deposit), NHF (National housing fund), Development loans and EQ (Shareholder's equity) have significant effect on primary mortgage institutions in Nigeria.

The random effect regression model results depicts that CUD (Customer deposit) has positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically insignificant to Urban population. NHF (National housing fund) has a positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically significant to Urban population. Development loans have a negative relationship with Urban population of the selected primary mortgage institutions in Nigeria and statistically significant to Urban population. EQ (Shareholder's equity) has positive relationship with Urban population of the selected primary mortgage institutions in Nigeria and is statistically significant to Urban population. The coefficient of determination using adjusted R^2 shows that the explanatory variables (CUD, NHF, DEV_LOANS, EQ) explained 76.00% percent variation in the primary mortgage institutions in Nigeria. That is 74.81% are explained by other variables not included in the model. The overall statistical level of the model depicts that the model is good for forecasting giving the F-statistics of 0.00 and its probability of 0.000. Since the p-value is less than 0.05, hence we concluded that model is statistically significant and brings about the rejection of the null hypothesis. The means that CUD (Customer deposit), NHF (National housing fund), Development loans and EQ (Shareholder's equity) have significant effect on primary mortgage institutions in Nigeria.

The results shows that Hausman test diagnostic which depicts the appropriate model for forecasting. The results shows that the appropriate model for forecasting is the fixed effect model as the Hausman test with F (p-value) of 0.0200 shows the acceptance of the null hypothesis of the random effect model. Hence, we accept the estimation of the fixed effect for forecasting.

4.4 Discussion of Findings

Based on the fixed effect model, that inferences was sourced from it revealed that CUD (Customer deposit) has negative significant effect on urban population. NHF (National housing fund) has a positive significant effect on urban population. EQ (Shareholder's equity) has positive significant effect on urban population. The work of Geiger, Muellbauer, & Rupprecht (2016) reveals that customer spending which is also a micro component of customer deposit does not have the impetus to improve housing development and provision even in a developed economy like Germany. The works of Oduwaye, Oduwaye, & Adebamowo (2015), reveals that NHF strategy which is a behavioral component of National housing fund does not align with improving housing development and provision in Nigeria. Atamewan, Eyo, & Effanga (2017) works give validation to the ideology of National housing fund and proper structure would improve the availability of housing development in Nigeria. The study given further credence to the works of Oduwaye, Oduwaye, & Adebamowo (2015), also that national housing fund and policy should be reconstructed and made available to the masses at a low interest rate backed up by the government to improve housing development in the country.

In the works of Udoka, Owor, & Kpataene (2017), reveal that mortgage loans could not improve housing development in Nigeria, but the interest rate and period for the repayment of loans could improve the volume of construction of housing project in the long-run. The works of Yinusa, Ilo, & Elumah (2017) gives credence to the viability of development loans and customer deposit to improve housing development in Nigeria. But the works of Nnenna and

Onyenwe (2020) disagrees that national housing funds and development loans would stimulate the percentage of houses in the economy, illustrating that loans would only make it impossible for the populace to attain owning a house to their name, only making housing development to be solely a government affair. Inclusively, the works of Ekadochnikova, Bulatova, Safiullina, and Suycheva (2020) validate the usage of loans and funds to improve the capacity of housing needs for the populace in the economy. The works of Egolum, Emoh, & Onyeyiaka (2017), identified equity and development/mortgage loans to be financing options that have the attribute and organogram to improve the housing deficiency in the economy.

5.0 CONCLUSION AND RECOMMENDATIONS

The inquiry provides the results of empirical estimation in examining the influence of primary mortgage institutions financing options and Housing sector development in Nigeria. The fixed effect model depicts that National housing fund and Shareholder's equity has positive significant effect on urban population while customer deposit has negative significant effect on urban population. It is therefore concluded that the national housing fund in the books and treasury of the primary mortgage institution, channeled accurately with the required interest would improve the housing development in Nigeria. The shareholder's equity of these primary mortgage institutions would improve the housing development when that capital is used to grant lucrative loan applications that would warrant housing development in urban and rural settlements in Nigeria. The customer deposit should be kept for the corporate and individual customers for the purpose of building the economy. It is therefore recommended that primary mortgage institutions should ensure all their financing options are directed towards reducing the menace of housing shortage in the economy.

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