

**Mortgage Financing, Innovation Capability and Housing Loan Performance of
Accredited Primary Mortgage Banks in Nigeria**

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of Management and Social Sciences, Lead City University, Ibadan, Oyo State, Nigeria**

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Certification

This is to certify that Abiodun Fasunle Fashina with Matriculation Number LCU/PG/001903 carried out this research work titled “Mortgage Financing, Innovation Capability and Housing Loan Performance of Accredited Primary Mortgage Banks in Nigeria” in the Department of Management and Accounting, Faculty of Management and Social Sciences, Lead City University, Ibadan, Oyo State, for the award of Doctor of Philosophy Degree (PhD) in Accounting and that this has not been previously submitted.

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Dedication

This research work is dedicated to God Almighty and in loving memory of my parent Chief Fatunbi Fashina and Mrs Rafatu Fashina. Also, to my beautiful wife Mrs Yetunde Fashina and my four loving daughters, Ayomipo, Oluwadamilola, Fiyinfoluwa, and Oluwabukola.

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Abstract

The housing loan performance is measured by access to finance, homeownership loan volume, non-performing loan ratio and service efficiency of the primary mortgage bank (PMB). This study examined the influence of mortgage financing (MF) and innovation capability (IC) on housing loan performance (HLP) of accredited PMBs in Nigeria. The study employed cross-sectional mixed method survey design with two populations representing 20 accredited PMBs and 129,163 National Housing Fund (NHF) Scheme contributors registered with FMBN Ikeja Office. Also, obtained a classified secondary data on NHF loan disbursements to PMBs and NPL ratios from 2012 to 2022 from FMBN. A sample of 10 accredited PMBs in Lagos was determine by cluster sampling technique in which 4 credit officers were selected in each of the PMB applying purposive sampling method to arrive at a total of 40 credit officers. The sample size of 400 NHF Scheme contributors was computed using Taro Yamane formula. The study applied structured questionnaire as research instrument that was validated using content and construct validity. The descriptive and inferential statistics were employed to analyse the data. The major findings revealed that MF and IC have significant influence on HLP ($\text{Adj. } R^2 = 0.590$, $F(3,33) = 18.274$, $p = 0.000$) and government housing policy (GHP) has significant moderating effect on the functional relationship between MF, IC and HLP ($R^2\Delta = 0.055$, $F\Delta = 5.275$, $p = 0.028$) of accredited PMBs in Nigeria. The study concluded that MF and IC had significant influence on HLP of accredited PMBs in Nigeria. The study recommended that the management of PMBs should take appropriate measures to strengthen performance dimension of service efficiency. Also, the management of PMBs must continue to implement the relevant housing policies that support the performance effect of MF and IC that are existing in the mortgage banks in Nigeria.

Keywords: housing loan performance, primary mortgage banks, homeownership, mortgage financing, innovation capability, NHF Scheme contributors, government housing policy, credit officers

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List of Acronyms

Abbreviation	Meaning
ADF	Augmented Disk Fuller
AHF	Africa Housing Finance
AHP	Analytic Hierarchy Process
AMOS	Analysis of Moment Structures
ANOVA	Analysis of Variance
ASH	African Staff Housing
ATF	Access to Finance
AVE	Average Variance Extracted
BLUE	Best Linear Unbiased Estimator
BTS	Bartlett Test of Sphericity
CAP	Credit Appraisal Proposal
CAR	Capital Adequacy Ratio
CBK	Central Bank of Kenya
CBN	Central Bank of Nigeria
CDC	Commonwealth Development Corporation
CEO	Chief Executive Officer
CFA	Confirmatory Factor Analysis
CHL	Cooperative Housing Loan
CLRM	Classical Linear Regression Model
CLTSEHM	Community Land Trust Shared Equity Housing Model

CM	Capital Market
CMD	Common Method Bias
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CML	Commercial Mortgage Loan
CNB	Czech National Bank
C of O	Certificate of Occupancy
CR	Composite Reliability
DMB	Deposit Money Bank
DOT	Deed of Trust
ECM	Error Correction Model
EDL	Estate Development Loan
EFA	Exploratory Factor Analysis
ERN	Easter Region of Nigeria
EU	European Union
FBN	First Bank of Nigeria
FDI	Foreign Direct Investment
FGN	Federal Government of Nigeria
FHFL	Family Home Fund Limited
FMBN	Federal Mortgage Bank of Nigeria
FMFL	Federal Mortgage Finance Limited
GCC	Gulf Cooperative Council
GDP	Gross Domestic Product
GHP	Government Housing Policy
GMM	Generalized Method of Moments
GTB	Guaranty Trust Bank

HAI	Housing Affordability Index
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HAMA	Housing Affordability Measurement Approaches
HCI	Housing Cost-To-Income
HI	Household Income
HILDA	Household Income and Labour Dynamics in Australia
HL	Homeownership Loan
HLP	Housing Loan Performance
HMR	Hierarchical Multiple Regression
HPF	Housing Provident Fund
HPI	House Price Index
HRL	Home Renovation Loan
IC	Innovation Capability
IR	Interest Rate
KHPS	Keio Household Panel Survey
KMO	Kaiser-Meyer-Olkin
KNBS	Kenya National Bureau Statistics
KS	Knowledge Sharing
LT	Lien Theory
LTA	Loan-To-Asset
LTF	Long-Term Fund
LTV	Loan-To-Value
MBAN	Mortgage Banking Association of Nigeria
MF	Mortgage Financing
MFM	Mortgage Finance Market

MI Management Innovation

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MIS Mean Item Score

MLQ Management Leadership Quality

MLR Multiple Linear Regression Monetary Policy System

MPR Monetary Policy Rate

NBS National Bureau of Statistics

NBS Nigerian Building Society

NCLTN National Community Land Trust Network

NECA Nigeria Employers Consultative Association

NGC Nigerian Guarantee Company

NHF National Housing Fund

NHP National Housing Policy

NMRC Nigerian Mortgage Refinancing Company

NPL Non-Performing Loan

NSC Nigerian Stock Exchange

NSITF Nigerian Social Insurance Trust Fund

OLS Ordinary Least Square

PFA Pension Fund Administrator

PI Process Innovation

PLS Panel Least Square

PLS Partial Least Square

PMB Primary Mortgage Bank

PMI Primary Mortgage Institution

POS	Perceived Organizational Support
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PPP	Public Private Partnership
RBV	Resource Base View
REDAN	Real Estate Developers Association of Nigeria
ROA	Return on Asset
ROAA	Return on Average Asset
ROE	Return on Equity
RTO	Rent-To-Own
SE	Service Efficiency
SEH	Shared Equity Homeownership
SEM	Structural Equation Modelling
SHS	Survey of Household Spending
SMM	Secondary Mortgage market
SPSS	Statistical Package for Social Sciences
STD	Short-Term Deposit
TA	Total Asset
TAT	Turnaround Time
TF	Tolerance Factor
TL	Transformational Leadership
TLT	Transformational Leadership Theory
TT	Title Theory
UBA	United Bank for Africa
UK	United Kingdom
USA	United States of America

USS Understanding Society Survey

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UTAUT United Theory of Acceptance and Use of Technology

VAM Vector Autoregressive Model

VEM Varimax Extraction Method

VIF Variance Inflation Factor

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