

## DESIGN AND IMPLEMENTATION OF NATIONAL HOUSING FUND SYSTEM FOR CHUKWUEMEKA ODUMEGWU OJUKWU UNIVERSITY.

<sup>1</sup> Nwafor Anthony C and <sup>2</sup> Okide, S

<sup>1</sup>Department Of Computer Science, Chukwuemeka Odumegwu Ojukwu University, Uli, Anambra State. E-mail:anthonywafor981@gmail.com.

<sup>2</sup>Department Of Computer Science,,Nnamdi Azikiwe University, Awka, Anambra State.E-mail: okides234@yahoo.com

### ABSTRACT

*A housing scheme is an organized plan for individuals or groups who cannot afford to make a one-time purchase of a house. The purpose of this research work is to design and implement a computer based information system for management of monthly contributions into the National Housing Fund Scheme using Chukwuemeka Odumegwu Ojukwu University as a case study. The objectives of the study are to design and implement an automated national housing fund system for civil servants. Secondly, to design a database for easy management of information on the contributed national housing fund system. Furthermore to develop an enhanced automated contribution enabled model for the housing scheme and finally, to develop an internet based interactive software for National Housing Fund Scheme. The Structured System Analysis and Design Methodology (SSADM) was adopted for this work after critical examination. The study was able to develop software application package that will be used in the management of the fund.*

**KEYWORDS:** Information system, Housing scheme, Fund, computer based, application

### 1.0 INTRODUCTION

A housing scheme is an organized plan for individuals or groups who cannot afford to make a one-time purchase. This process of acquiring property is often achieved through lending from the government, employers, housing corporations, professional associations and banks. With the ever rising cost of real estate, many people cannot afford to buy houses through a one-time purchase. To help people own homes, national and local governments, associations, banks and real estate companies offer to reduce the burden by spreading payments over a long period of time. For housing schemes run by associations, members follow shared ownership arrangements by buying a percentage of the total value of the property, and then continue to pay rent on the remaining share. This ownership is for a renewable limited period of time.

The National Housing Fund (NHF) scheme is one of such housing polices and housing programmes in Nigeria today. The Federal Mortgage Bank of Nigeria (FMBN) was established in 1956, known then as the Nigerian Building Society (NBS) a joint venture of the common wealth development corporation and the Federal and Eastern Government of Nigeria. Following the introduction of the indigenization policy, the Federal government by Indigenization Act 1973, undertook 100 percent ownership acquisition of the NBS and consequently renamed it the Federal Mortgage Bank of Nigeria (FMBN). The bank operates as an effective vehicle for increasing the mobilization of long-term funds, lending volume

and expansion of mortgage lending services to all segments of the Nigeria population. The FMBN started the management and administration of the contributory savings scheme known as the National Housing Fund (NHF) established by Act 3 of 1992. The NHF is a pool that mobilizes long-term funds from Nigeria workers, banks, insurance companies and the federal government to advance loans at soft interest rates to its contributors. In 1994, the Federal Mortgage Bank of Nigeria with the promulgation of the FMBN Act 82 (1993) and the mortgage institutions Act 53 (1989) was accorded the status of the apex mortgage institution and thus ceded its retail function to an autonomous company, Federal Mortgage Finance Limited (FMFL) which was carved out of the FMBN, itself fully owned by the Federal Government of Nigeria. The NHF Act No 3 of 1992 stipulates that a Nigerian earning the minimum national wage and above per annum in either the public or private sectors of the economy shall contribute 2.5% of his basic monthly salary to the fund. Through this provision makes it compulsory for Nigerian workers to participate in the scheme, it should be seen as also offering them the opportunity to enjoy the numerous benefits of the scheme. The employer is required to deduct 2.5% from the monthly basic salaries of workers and remit it to the Federal Mortgage Bank of Nigeria (FMBN) within one month of the deduction. FMBN as manager of the fund provides periodic statements of account to contributors. Passbooks are also provided for such deductions to be posted at the point of deduction. Chukwuemeka Odumegwu Ojukwu University joined this scheme in 2006 as Anambra State University.

### 1.1 Statement of the Problem

The problems which necessitated the study are multifarious among which are non-availability of any form of data base management system with respect to staff contribution, poor and manual method of record keeping, method of data collection and storage is tedious and manually dependent. Again the need to recover lost data, remove the bottlenecks involved in the payment and processing of staff contributions when they retire generally makes this study an inevitable one.

### 1.2 Aims And Objectives Of The Study

The aim of this research work is to design and implement a computer system for the management of NHF for COOU and the objectives are:

- i. To design and implement an automated national housing fund software for civil servants
- ii. To design a database for easy management of information on the contributed national housing fund system.
- iii. To develop an enhanced automated contribution enabled model for the housing scheme.
- iv. To develop an Internet based Interactive software for national housing scheme.

### 1.3 The Significance of the Study

The study is significant in the sense that the computerized model will give faster, reliable and instant information to all the stakeholders at any point in time. The study will also ensure that adequate security is provided to staff contribution in case of any contingency. Again, this study is very significant in the sense that it will remove the enormous perception associated with NHF over the years in the university.

Finally, the study will serve as a model for other people involved in NHF contribution scheme.

#### 1.4 Scope of the Study

This research work is limited to the design and implementation of a computer based information system for Nation Housing Fund (NHF) contributions scheme using Chukwuemeka Odumegwu Ojukwu University as a case study.

### 2.1 LITERATURE REVIEW

The Federal Mortgage Bank of Nigeria (FMBN) functions as the regulator of housing finance companies, provider of finance to housing finance institutions and housing project developers, and as promoter for housing finance sector (National Housing Fund Act 1992, 1992). FMBN has its office at Abuja and all the state capitals. Housing and housing finance sectors with their intricate linkages with the other sectors have been recognized as key drivers of the economy. Hence, governments worldwide have laid special emphasis on the development of housing and its ancillary activities. The government support is present in the form of policies frame work and creation of various institutions at national and state levels for undertaking various activities. The National Housing Fund is the product of 1992 Housing Policy of the Federal Government of Nigeria. The NHF can be seen as the ultimate culmination of the previous efforts of government in Nigeria at housing provisioning. In view of the above, we are going to review the Nigerian housing policies and programmes over a period where each of such programmes was active.

#### 2.2 Review of national housing policy in Nigeria

Nigeria National Housing Policy (NHP, 2006) defines Housing as the process providing functional shelter in a proper setting in a neighbourhood supported by sustainable maintenance of the built environment for the day to day living and activities of individual and families within the communities. In view of the above it is pertinent to review the Nigerian housing policies and programmes over a period where each of such programmes was active.. However, Ibem (2011) further stated that non-availability of mortgage loans, high interest rates, inadequate infrastructure and difficulties in obtaining building plan approvals and certificates of occupancy are evidences of the failure of housing policies and programmes in delivering affordable housing to low income groups in Nigeria. Ademiluyi (2010), argue that the housing policies have not been able to meet its set targets of affordable housing delivery to low in-come groups consequent upon series of inherited housing problems. As a result of many years of neglect, problems such as undeveloped housing finance system, limited supply of long term funds, low household in-come levels, high level of unemployment, high inflation rate, high interest rate on mortgages, high cost of land and building materials, poor planning and implementation, existence of administrative bottlenecks and bureaucracies become order of the day. Notwithstanding the massive allocations of money to the housing programme in the National housing Plans, little or no success has been achieved in terms of meeting required targets. A number of reasons can be adduced for this, which include: wrong perception of the housing needs of the low-income groups, who incidentally constitutes the vast majority of the urban dwellers; the proposal of typical housing that is not rooted in the different Nigeria's climatic, cultural and socio-economic environments, improper planning and poor execution of housing policies and programmes, undue politicising of government housing programmes, lack of political will astuteness to government housing programmes to logical conclusions and insensitivity of government to the operations of the private sector in housing delivery (Waziri &Roosli, 2013). For instance, the housing reforms embarked upon by the Federal Government (1999– 2007) involved establishment of the Federal Ministry of

Works and Housing. The ministry was, inter alia, to supervise the Federal Mortgage Bank of Nigeria, especially in the disbursement of loans from contributions into the National Housing Trust Fund. The ministry has now been scrapped, and in its place, a new Federal Ministry of Lands, Housing and Urban Development has recently been created.

The main function of the housing corporations was the construction of housing units for sales to members of the public and the issuance of loans to whoever wished to build their own houses on their land (Aribigbola, 2006). The government felt compelled to act. The first plan contained explicit statements, programmes and specifically aimed at alleviating housing Ademiluyi (2010) pointed that the Federal Housing Authority (FHA) was established through the promulgation of Decree No. 40 of 1973 and begins a formal operation in 1976. Part of its responsibilities is making proposals to the federal government on housing and ancillary infrastructural services and implementing those approved by government. Federal Housing Authority (FHA) has been the main public organ in the provision of housing in Nigeria. For instance between 1975-1980 under the National Housing Programme, Festival town was developed in preparatory to first all-African Festivals of Arts and Culture (FESTAC), Ipaja Town, Amuwo Odofin phase 1 Estate all in Lagos and the first ever low cost housing Estate in eleven states capitals, as this mark the first major federal government effort in providing affordable housing to Nigerians citizens on long term mortgage repayment arrangement. This encouraged some states, local governments and private employers in the provision of houses and/or granting house loans to their employees. It was within this framework that the Employees Housing Schemes (Special Provision) Decree Number 54 of 1979 came into being. The decree made it obligatory on any employer having a specified number of employees (fifty) to establish, execute and maintain a housing scheme for these employees. The various governments were to help in the provision of land and other materials. During this era, emphasis was placed on the five-year development plans as an instrument for economic growth. The period recognized the housing problems and aimed at increasing supply of housing to a substantial level through government participation. Some of the reasons advanced for the failure included the adoption of a single housing design for the entire country, irrespective of the differences in culture and climate, the distribution and choice of sites bore little relationship to the effective demand for housing and the houses were located not according to need but to satisfy political party patronage cited in Onyike (2012).

### **2.3 First national housing policy (NHP) 1991**

Following the failures of the government of Nigeria in the delivery of affordable housing needs faced by many Nigerians in spite of the national housing programmes, schemes and strategies created a big vacuum and massive need of housing which could not be met in the sector; Hence, the need for new and more relevant National Housing Policy (NHP). This policy was finalized in February 1991 with “The ultimate goal of ensuring that all Nigerians would own or have access to decent, safe, and sanitary housing accommodation at affordable cost by the year 2000”. Aribigbola (2006) opined that the NHP had since become operational as detailed modalities for its implementation have been put in place. Consequent upon this, it became necessary to restructure institutions and create new structures and promulgate new enabling laws, among others, for the purpose of realising the goal of the policy. Apart from these previous objectives, the 1992 policy aimed at keeping in line with the enabling objective of the United Nations Commission on Human Settlements. Thus, it was geared towards mobilising resources for effective house ownership by workers while at the same

time de-emphasising the intrusiveness of government in the housing sector (UNHabitat, 2006). The policy was revised in 2004 to take care of the problems encountered in the implementation.

### 3.0 Proposed System, Implementation and Result

The proposed system will run on a Client/server DBMS's environment designed to support multiple users in a network, this is adopted due to the number of staff in the unit and the number of staff and accounts been managed. A CSDB system consists of three primary software components (aside from the network software and operating systems of the computers in question): the client application (also called the front end), the data access layer (also called middleware), and the database server (also called a database engine, DBMS, data source, or back end).

The client application is responsible for accepting input from the user, submitting a query to the database server based on that input, receiving results from the server and formatting them.

### 3.1 High Level Model Of The Proposed System

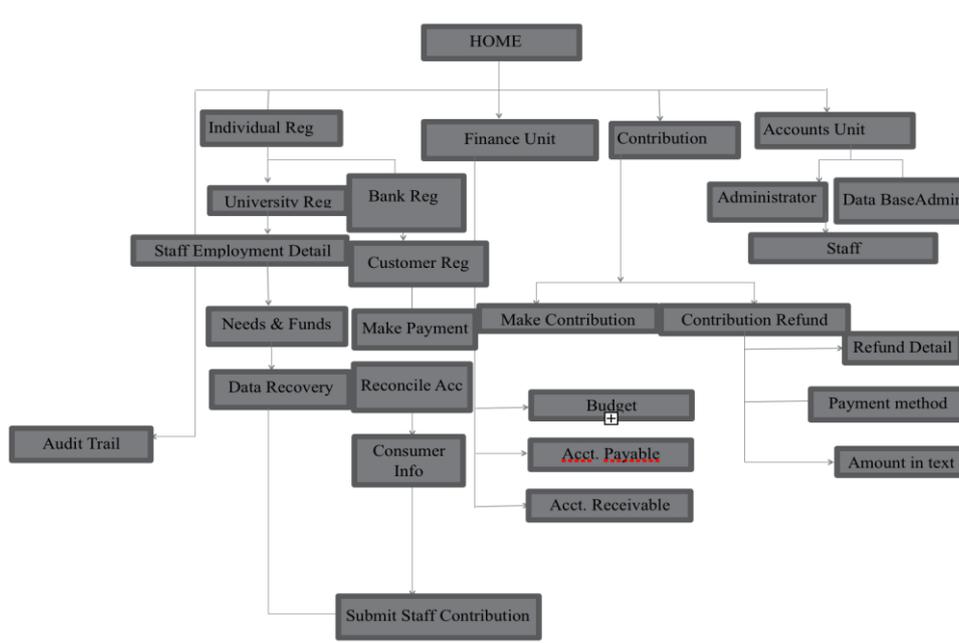
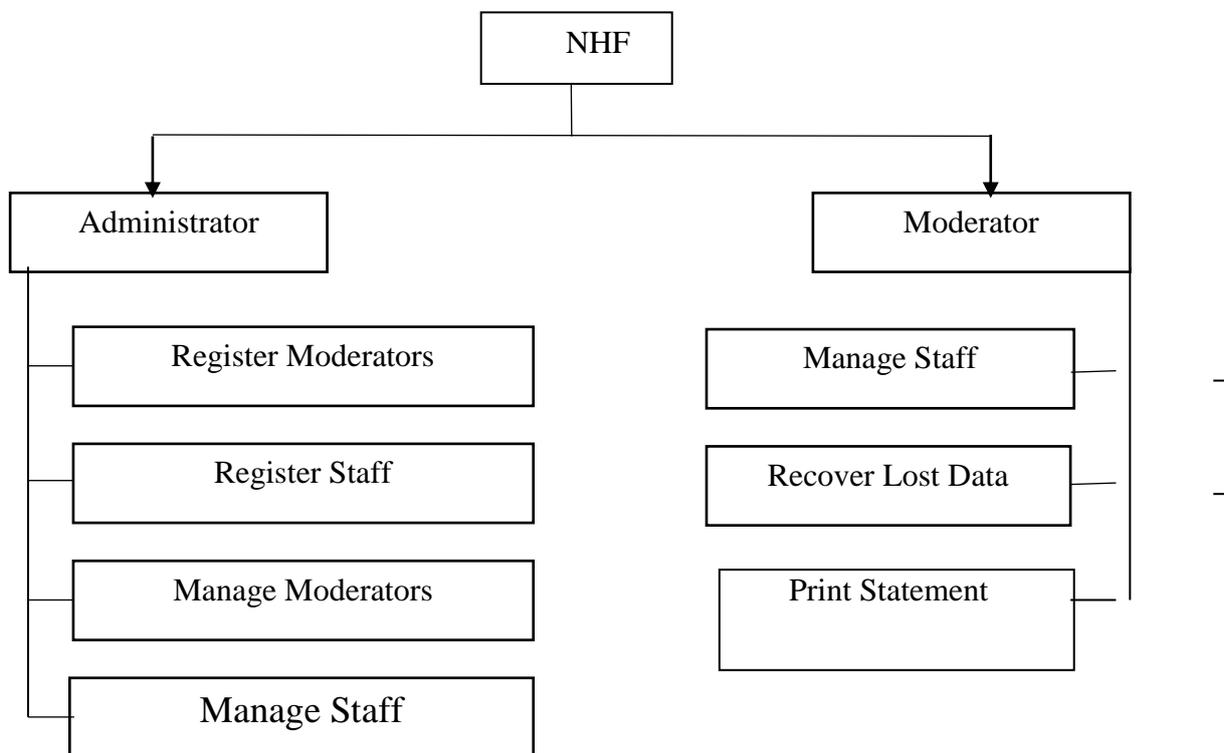


Fig 3.1 High Level Model of the Proposed System.

### 3.2 Control Center for All Program Modules.2



**Figure 3.2 : Control Center for All Program Modules**

### 3.3 System Flowchart

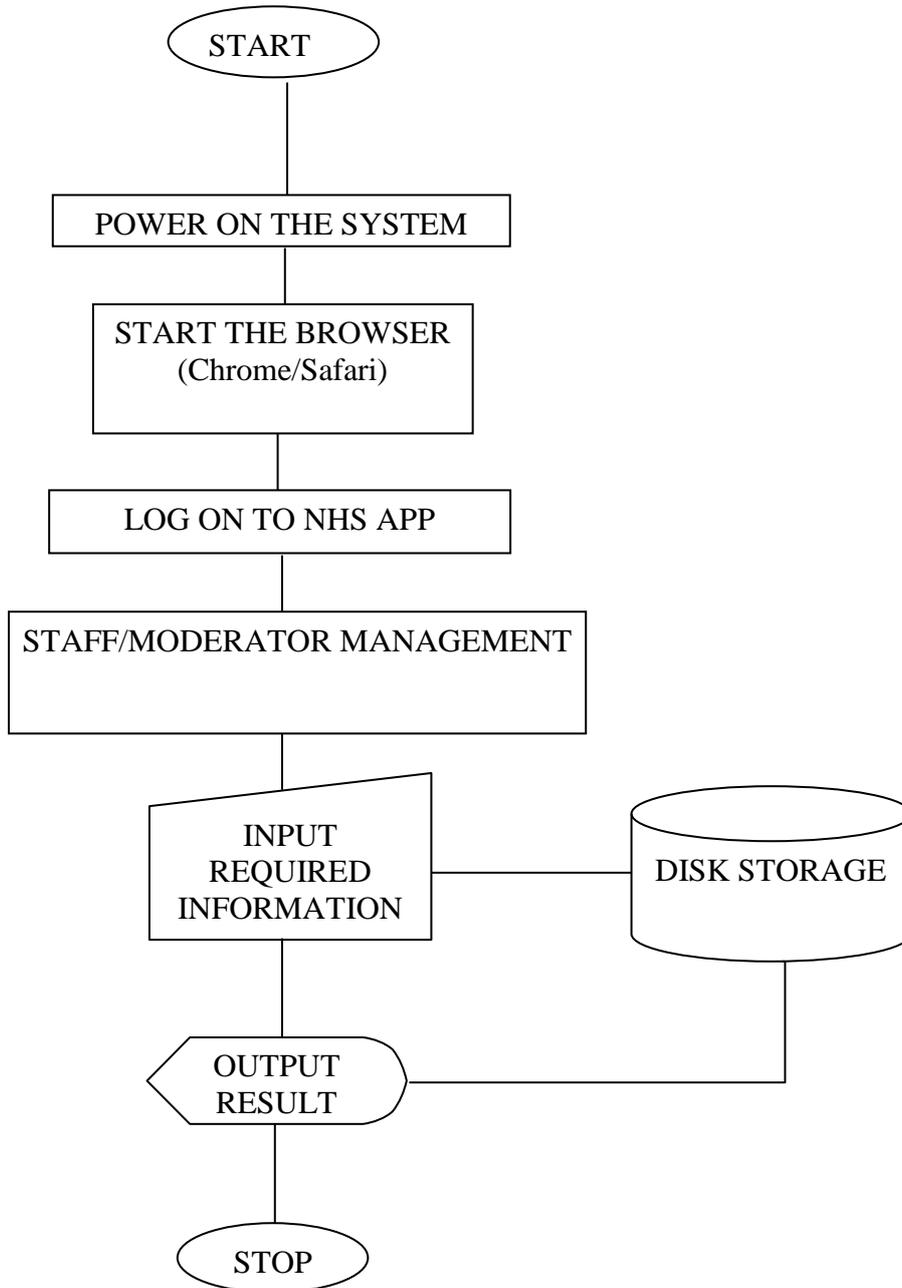


Figure 3.3: System Flowchart

### 3.4 Program Flowchart

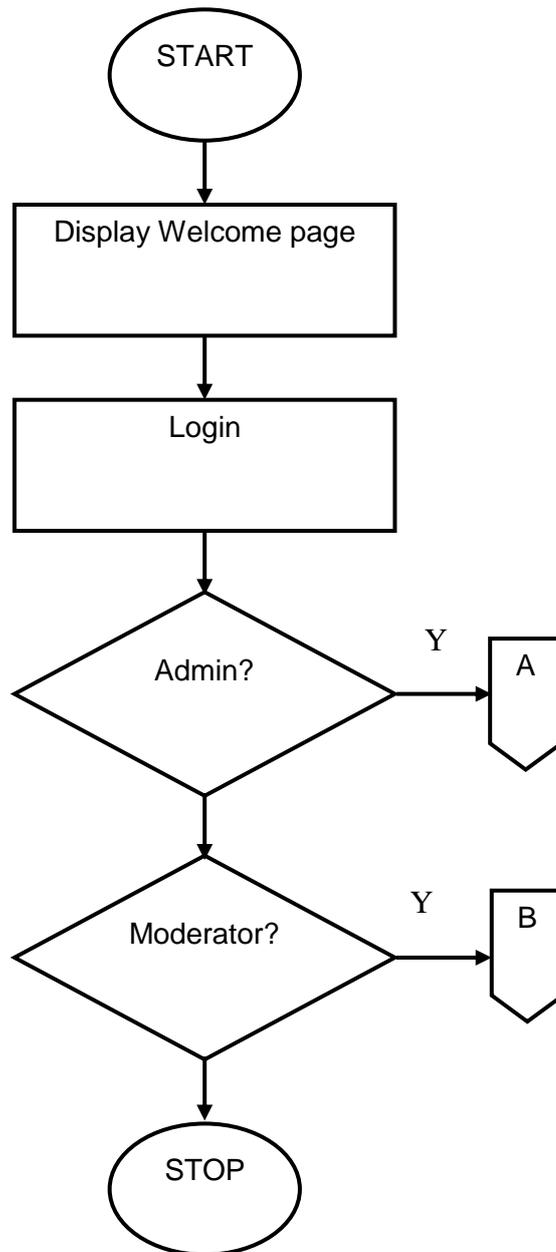


Figure 3.4: Program Flowchart

#### **4.0 DISCUSSION, SUMMARY & RECOMMENDATION.**

A housing scheme is an organized plan for individuals or groups who cannot afford to make a one-time purchase. This process of acquiring property is often achieved through lending from the government, employers, housing corporations, professional associations and banks. The National Housing Fund scheme is one of the various housing policies of government in order to empower contributors to the scheme to own their houses at an affordable rate. The aim of this research work therefore, is to design and implement a computer program for the management of the contributed National Housing Fund for Chukwuemeka Odumegwu Ojukwu University.

#### **4.1 Summary of Findings**

Evaluation of National Housing Fund (NHF) in Nigeria has shown that the scheme has failed woefully in meeting its aims and objectives. Workers retirement benefits are not paid as of and when due. Findings also revealed that stringent conditions make it almost impossible for contributors to the fund to access the so called housing loans.

#### **4.2 Recommendations for Further Studies**

There are other staff retirement contributions that are made from time to time like the contributory pension contribution scheme. The work that has been carried out here considered only the National Housing Fund contribution scheme leaving out the other staff retirement benefit contributions. Further work can be carried out in order to integrate all of them into a single component.

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