Financing Agreement

(Housing Finance Project)

between

FEDERAL REPUBLIC OF NIGERIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated 18th Dec, 2013
FINANCING AGREEMENT

AGREEMENT dated 14th December, 2013, entered into between FEDERAL REPUBLIC OF NIGERIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to one hundred ninety nine million five hundred thousand Special Drawing Rights (SDR 199,500,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. The Recipient’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Minister, or Permanent Secretary, in the Federal Ministry of Finance.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are November 15 and May 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall cause the Project to be carried out by the Central Bank of Nigeria ("Project Implementing Entity") in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Events of Suspension consist of the following:

(a) The Project Implementing Entity's Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

(b) The amendment of the NMRC Charter, the dissolution of NMRC or the disestablishment of NMRC without the prior written approval of the Association.

(c) The assignment, amendment, abrogation or waiver of any provision of a signed Participation Agreement, without the prior written approval of the Project Implementing Entity and the Association.

4.02. The Additional Events of Acceleration consist of the following, namely that any of the events specified in Section 4.01 (a) and (b) of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity in accordance with the provisions of Section I.B of Schedule 2 to this Agreement;

(b) The Recipient has, through the Project Implementing Entity, adopted the Project Operations Manual, in accordance with the provisions of Section I.B of the Schedule to the Project Agreement;

(c) The Recipient has, through the Project Implementing Entity, adopted the Environmental and Social Risk Management Operations Manual, in
accordance with the provisions of Section I.D of the Schedule to the Project Agreement;

(d) The Recipient has, through the Securities and Exchange Commission, duly authorized the NMRC to issue securities under the Investments and Securities Act of 2007;

(e) The Recipient has, through the NMRC shareholders: (i) appointed the NMRC chief executive officer; and (ii) constituted the NMRC Board, all in a manner satisfactory to the Association; and

(e) The Subordinated Loan Agreement, has been duly executed on behalf of the Project Implementing Entity and the NMRC, in accordance with the provisions of Section I.C of the Schedule to the Project Agreement.

5.02. The Additional Legal Matters consist of the following:

(a) the Subsidiary Agreement has been duly authorized or ratified by the Recipient and the Project Implementing Entity and is legally binding upon the Recipient and the Project Implementing Entity in accordance with its terms.

(b) NMRC been duly established in accordance with the laws and regulations of the Recipient and has the mandate and capacity to perform the functions and obligations assigned to it under the Project.

(c) The Subordinated Loan Agreement has been duly authorized or ratified by the Project Implementing Entity and the NMRC and is legally binding upon the Project Implementing Entity and the NMRC in accordance with its terms.

5.03. The Effectiveness Deadline is the date one hundred and eighty (180) days after the date of this Agreement.

5.04. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. Except as provided in Section 2.02 of this Agreement, the Recipient’s Representative is its minister at the time responsible for finance.

6.02. The Recipient’s Address is:

The Honorable Minister
Federal Ministry of Finance
Ahmadu Bello Way
Abuja, Nigeria

Cable address: FEDMINFIN
Facsimile: 234-9-2343609
Abuja

6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Abuy, Nigeria, as of the day and year first above written.

FEDERAL REPUBLIC OF NIGERIA

By

[Signature]

Authorized Representative

Name: Dr. Ngozi Okonjo-Iweala

Coordinating Minister for the Economy and Honorable

Title: MINISTER OF FINANCE

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: Marie Françoise Marie-Nelly

Title: COUNTRY DIRECTOR
SCHEDULE 1

Project Description

The objective of the Project is to increase access to housing finance by deepening the primary and secondary mortgage markets in the Federal Republic of Nigeria.

The Project consists of the following parts:

Part 1. Nigeria Mortgage Refinance Company

Supporting the establishment and operation of Nigeria Mortgage Refinance Company through the provision of capital to support the pre-financing or refinancing of mortgage loans of Participating Mortgage Lenders through a line of credit.

Part 2. Mortgage Guarantee Product

Supporting the Mortgage Guarantee Scheme to facilitate issuance of Mortgage Guarantee Products to Eligible Lenders, through the provision of a line of credit to the Project Implementing Entity on account of the Mortgage Guarantee Agent.

Part 3. Housing Microfinance

Provision of HMF Loans to Housing Microfinance Providers to help strengthen their institutional and financial capacities for testing and providing housing microfinance products and services.

Part 4. Technical Assistance and Capacity Building

Carrying out of a technical assistance and capacity building program designed to support mortgage markets in the Federal Republic of Nigeria and comprising of activities such as: (a) capacity building support on housing mortgage, including, training on underwriting, collateral valuation, mortgage risk management, housing finance policy and delinquent loans management; (b) collection, collation and dissemination of housing market information, including, development of a house price index system and mortgage market database; (c) NMRC support through provision of technical assistance on bond issuance; (d) mortgage consumer protection and financial literacy; (e) supporting the creation of the Mortgage Guarantee Scheme, including, carrying out of a feasibility study as well as support for its implementation; (f) housing microfinance product development, piloting, Housing Microfinance Provider staff training, consumer protection, impact evaluation, and other related ancillary support services necessary for establishing sustainable housing microfinance operations; and (g) strengthening legal and regulatory environment underpinning the housing financing sector.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. In order to ensure the proper implementation of the Project, the Recipient shall maintain at all times during the implementation of the Project, a Project Steering Committee, chaired by the minister of finance or a designated representative of the Federal Ministry of Finance, with functions, composition, staffing and resources satisfactory to the Association, to be responsible for providing policy oversight and strategic direction in the execution of the Project, including, reviewing and adopting the Annual Work Plan. To this end, the Recipient shall maintain at all times during Project implementation, a secretariat at the Federal Ministry of Finance with staffing (including a mortgage specialist), all with qualifications, experience and terms of reference acceptable to the Association, to be responsible for, inter alia, supporting the work of the Project Steering Committee.

2. The Recipient shall take all measures required on its part to ensure that the Project Implementing Entity shall carry out its obligations provided for under the Schedule to the Project Agreement in an effective and timely manner, and to the satisfaction of the Association.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association, which shall include, inter alia, the following:

   (a) The principal amount of the Credit made available under the Subsidiary Agreement (“Subsidiary Financing”) shall be on the same on-lending and repayment terms as those which apply to the Financing, and on a back-to-back basis; and

   (b) the Recipient shall obtain rights adequate to protect its interests and those of the Association, including the right to: (i) suspend or terminate the right of the Project Implementing Entity to use the proceeds of the Subsidiary Financing, or declare to be immediately due and payable or obtain a refund of all or any part of the amount of the Subsidiary Financing then withdrawn, upon the Project Implementing Entity’s failure to perform any of its obligations under the Subsidiary Agreement;
and (ii) require the Project Implementing Entity to: (A) carry out the Project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, including in accordance with the provisions of this Agreement, including the POM, and the Anti-Corruption Guidelines applicable to recipients of credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose; (C) ensure that any goods and services to be financed out of the Subsidiary Financing are procured in accordance with the provisions of this Agreement; (D) maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators acceptable to the Association, the progress of the Project and the achievement of the objective of the Project; (E) (1) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (2) have such financial statements audited annually by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association, and promptly furnish the statements as so audited to the Recipient and the Association, but in any event not later than six (6) months after the end of each Fiscal Year; (F) enable the Recipient and the Association to inspect the Project, its operation and any relevant records and documents; (G) permit the Association to make the Subsidiary Agreement and all financial statements audited pursuant to sub-paragraph (E) above available to the public in accordance with the Association’s policies on access to information; and (H) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing (“Subsidiary Agreement”).

2. The Recipient shall cause the Project Implementing Entity to, exercise its rights and perform its obligations under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association and the Recipient shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

1. The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare, or cause the Project Implementing Entity to prepare, Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation upon the provisions of Part A of this Section, the Recipient shall cause the Project Implementing Entity to prepare and furnish to the Association not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall cause the Project Implementing Entity to have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient, commencing with the Fiscal Year in which the first withdrawal was made under the Project. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

4. The Recipient shall, not later than ninety (90) days after the Effective Date, cause the Project Implementing Entity to appoint the independent auditors referred to in Section 4.09 (b) of the General Conditions, in accordance with the provisions of Section III of this Schedule.

5. The Recipient shall, not later than sixty (60) days after the Effective Date, cause the Project Implementing Entity to update its computerized accounting systems to incorporate Project activities, all in a manner satisfactory to the Association.
Section III. **Procurement**

A. **General**

1. **Goods and Non-consulting Services.** All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Non-consulting Services**

1. **National Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and non-consulting services shall be procured under contracts awarded on the basis of National Competitive Bidding.

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than National Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan: (a) International Competitive Bidding; (b) Shopping; (c) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (d) Direct Contracting; and (e) Procurement under Public Private Partnership Arrangements in accordance with procedures which have been found acceptable to the Association.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants' Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under
a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Well-established Private Sector Procurement Methods or Commercial Practices which have been found acceptable to the Association; (g) Selection of consultants under Indefinite Delivery Contract or Price Agreement; (h) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (i) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

E. Procurement related Covenant

1. The Recipient shall, not later than ninety (90) days after the Effective Date, cause the Project Implementing Entity to establish a procurement complaint mechanism comprising of an online database or a complaint hotline, in form and substance satisfactory to the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Line of Credit for Eligible Investments under Part 1 of the Project</td>
<td>166,300,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Line of Credit for Mortgage Guarantee Products under Part 2 of the Project</td>
<td>16,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) HMF Loans under Part 3 of the Project</td>
<td>10,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Goods, non-consulting services, consultants' services, Operating Costs and Training under Part 4 of the Project</td>
<td>6,600,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>199,500,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made in respect of:

   (a) payments made prior to the date of this Agreement;

   (b) any payments under Category (1), unless and until evidence satisfactory to the Association is furnished to the Association confirming that NMRC has met the DLI(s) for the tranche for which payment is requested as set forth in Schedule 4 to this Agreement;

   (c) any payments under Category (2), unless the Guarantee Agent Service Agreement has been executed, in form and substance satisfactory to the Association; and
(d) any payments under Category (3), unless the Project Implementing Entity has adopted the HMF Manual in form and substance satisfactory to the Association.

2. The Closing Date is December 31, 2018.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each November 15 and May 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2023 to and including May 15, 2033</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2033 to and including May 15, 2053</td>
<td>2%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
SCHEDULE 4
Disbursement Linked Indicators for Category (1) of the Disbursement Table

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Maximum Amount Allocated (USD equivalent)</th>
<th>Disbursement Linked Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>20,000,000</td>
<td>Compliance with the Conditions of Effectiveness under Section 5.01 of the Financing Agreement</td>
</tr>
<tr>
<td>II</td>
<td>100,000,000</td>
<td>Evidence that NMRC has carried out Due Diligence for refinancing or pre-financing transactions of mortgage loans of Participating Mortgage Lenders.</td>
</tr>
<tr>
<td>III</td>
<td>70,000,000</td>
<td>Evidence that, during the period since Tranche II disbursement, NMRC has: (i) issued and sold new bonds the proceeds of the sale of which shall be used to refinance and/or pre-finance eligible mortgages with a minimum volume of bonds outstanding equivalent to USD120 million; and (ii) refinanced and/or pre-financed eligible mortgage loans at a minimum volume of USD120 million equivalent</td>
</tr>
<tr>
<td>IV</td>
<td>20,000,000</td>
<td>Evidence that, during the period since Tranche III disbursement, NMRC has: (i) issued and sold new bonds the proceeds of the sale of which shall be used to refinance and/or pre-finance eligible mortgages with a minimum volume of bonds outstanding equivalent to USD100 million; and (ii) refinanced or pre-financed eligible mortgage loans in an aggregate amount of USD100 million equivalent</td>
</tr>
<tr>
<td>V</td>
<td>20,000,000</td>
<td>Evidence that, during the period since Tranche IV disbursement, NMRC has: (i) issued and sold new bonds the proceeds of the sale of which shall be used to refinance and/or pre-finance eligible mortgages with a minimum volume of bonds outstanding equivalent to USD50 million; and (ii) refinanced or pre-financed eligible mortgage loans in an aggregate amount of USD50 million equivalent</td>
</tr>
<tr>
<td>VI</td>
<td>20,000,000</td>
<td>Evidence that, during the period since Tranche V disbursement, NMRC has: (i) issued and sold new bonds the proceeds of the sale of which shall be used to refinance and/or pre-finance eligible mortgages with a minimum volume of bonds outstanding equivalent to USD50 million; and (ii) refinanced or pre-financed eligible mortgage loans in an aggregate amount of USD50 million equivalent</td>
</tr>
</tbody>
</table>

*As elaborated in the Minutes of Negotiations.*
APPENDIX

Definitions

1. “Annual Work Plan” means each annual work plan, together with the related budget, for the Project approved by the Association pursuant to the provisions of Section I.A.3 of Schedule to the Project Agreement.


3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.


6. “Disbursement Linked Indicators” or “DLIs” means the disbursement linked indicators to be met by NMRC as set forth in Schedule 4 to this Agreement.

7. “Due Diligence” means a pre-selection of an eligible pool of mortgages from PMLs to be pre-financed or refinanced by the NMRC in accordance with the criteria set out in the Regulatory and Supervisory Framework for the Operations of a Mortgage Refinance Company and the provisions of a master refinance and servicing agreement (or such other applicable agreement satisfactory to the Association) to be entered into between PMLs and the NMRC.

8. “Eligible Lender” means the legal entity which, having met the eligibility criteria set forth in the Guarantee Manual, is eligible to receive a Mortgage Guarantee Product.


10. “Environmental and Social Risk Management Operations Manual” or “ESOM” means manual referred to in Section 5.01(c) of this Agreement.

11. “Fiscal Year” means the Recipient’s fiscal year commencing January 1 and ending December 31 in each year and the Project Implementing Entity’s fiscal year commencing January 1 and ending December 31 in each year.
12. "Federal Ministry of Finance" means the Recipient’s ministry responsible for finance and any successor thereto.


14. "Guarantee Agent" means a firm that shall be recruited pursuant to terms of reference and with qualifications and experience satisfactory to the Association, and selected in accordance with the provisions of Section III of Schedule 2 to Financing Agreement for the purpose of providing the Mortgage Guarantee Product.

15. "Guarantee Agent Service Agreement" means the agreement, satisfactory to the Association, to be entered between the Guarantee Agent and the Project Implementing Entity.

16. "Guarantee Manual" means the manual approved by the Association and adopted by the Project Implementing Entity in accordance with the provisions of Section I.E of the Schedule to the Project Agreement as the same may be amended from time to time with the prior written agreement of the Association.

17. "HMF Loan" means a loan made or proposed to be made available to eligible Housing Microfinance Providers out of the proceeds of the Financing under Part 3 of the Project, and the term “HMF Loans” means, collectively, two or more said HMF Loans.

18. "HMF Loan Agreement" means a performance-based agreement entered between a Housing Microfinance Provider and the Project Implementing Entity for purposes of implementation of Part 3 of the Project.

19. "HMF Manual" means the manual approved by the Association and adopted by the Project Implementing Entity in accordance with the provisions of Section I.F of the Schedule to the Project Agreement as the same may be amended from time to time with the prior written agreement of the Association.

20. "Housing Microfinance Provider" means a licensed microfinance bank or licensed commercial financial institution determined by the Project Implementing Entity as capable of assisting in the fulfillment of the objectives of the Project, has met the eligibility criteria as set out in the HMF Manual and, as a result, has received, or is proposed to receive, a HMF Loan, and the term “Housing Microfinance Providers” means, collectively, two or more such Housing Microfinance Providers.

22. "Line of Credit for Eligible Investments" means investments that NMRC is permitted to undertake under the NMRC Charter.

23. "Line of Credit for Guarantees" means eligible expenditures relating to guarantee of mortgage as prescribed the Guarantee Manual.

24. "Mortgage Guarantee Scheme" means the program to be set up under Part 2 of the Project to provide Mortgage Guarantee Products to lenders of lower income earners, thereby enhancing lower income borrowers' access to mortgage products as described in details in the Guarantee Manual.

25. "Mortgage Guarantee Agent" means the agent referred to in sub-paragraph 2 of Section I.E of the Schedule to the Project Agreement.

26. "Mortgage Guarantee Product" means a mortgage guarantee to be provided to an Eligible Lender by a Mortgage Guarantee Agent under the Mortgage Guarantee Scheme.

27. "Nigeria Mortgage Refinance Company" or "NMRC" means the mortgage refinance company created under the Companies and Allied Matters Act of 1990 for the purpose of providing short and long term funds to PMLs necessary for refinancing mortgage loans.

28. "NMRC Charter" means, collectively, documents related to the legal establishment and operations of the NMRC, including, NMRC's Memorandum of Association and Articles of Incorporation, and this term shall include the following NMRC policy manuals approved by the Association: the risk management policy manual, the credit policy manual and the asset and liability/trusteehip management policy manual.

29. "NMRC Board" means the board of directors established and operating pursuant to the Memorandum and Articles of Association of NMRC.

30. "Operating Costs" means the reasonable costs of goods, non-consulting services and services required for the day-to-day implementation of the Project including maintenance of vehicles and equipment, fuel, office supplies, utilities, consumables, office rental and maintenance, bank charges, advertising expenses, travel, per diems, accommodation, and salaries of selected support staff, but excluding salaries of consultants and salaries of officials of the Recipient's civil service.

31. "Participation Agreement" means an agreement entered into, or to be entered into, between the NMRC and each eligible PML (as such term is hereinafter defined) in accordance with the provisions of the Project Operations Manual.
32. "Participating Mortgage Lender" or "PML" means any eligible participating mortgage lender which is a shareholder of the NMRC, is designated by the NMRC as a mortgage originating and servicing institution and to which mortgage pre-financing or refinancing is provided by the NMRC, as set forth in the Schedule to the Project Agreement, and the term "PMLs" means collectively two or more such participating mortgage lenders.

33. "Permanent Secretary" means the permanent secretary of the Recipient’s Federal Ministry of Finance.


35. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated June 25, 2013 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

36. "Project Administration Team" means the unit maintained by the Project Implementing Entity and referred to in Section I.A.1 of Schedule to the Project Agreement.

37. "Project Implementing Entity" means the Central Bank of Nigeria.


39. "Project Operations Manual" or "POM" means the manual approved by the Association and adopted by the Recipient in accordance with the provisions of Section I.A.2 of the Schedule to the Project Agreement as the same may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes and schedules to such manual.

40. "Project Steering Committee" means the committee referred to in Section I.A.1 of Schedule 2 to this Agreement.

42. "Subordinated Loan" means a loan made by the Project Implementing Entity to NMRC pursuant to the Subordinated Loan Agreement.

43. "Subordinated Loan Agreement" means an agreement between the Project Implementing Entity and the NMRC providing for a Subordinated Loan.

44. "Subsidiary Agreement" means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the Project Implementing Entity, as the same may be amended from time to time with the prior written consent of the Association, and such term includes all schedules to such Subsidiary Agreement.

45. "Subsidiary Financing" means the principal amount of the Credit made available to the Project Implementing Entity under the Subsidiary Agreement.

46. "Training" means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding salaries of consultants.