



NATIONAL PENSION COMMISSION

PRESS RELEASE

Pencom Approves Guidelines on Accessing RSA Balance for Payment of Equity Contribution for Residential Mortgage by RSA Holders

The National Pension Commission (PenCom) is pleased to inform all stakeholders and the general public, particularly Retirement Savings Account (RSA) holders, that the Commission has approved the issuance and immediate implementation of the Guidelines on Accessing RSA Balance towards Payment of Equity Contribution for Residential Mortgage by RSA Holders. The approval is in line with Section 89 (2) of the Pension Reform Act 2014 (PRA 2014), which allows RSA holders to use a portion of their RSA balance towards payment of equity for residential mortgage. Below are the highlights of the Guidelines:

1. **Eligibility:** The Guidelines cover pension contributors in active employment, either as a salaried employee or as a self-employed person. Interested RSA holders (applicants) must meet the following conditions:
 - i. Have an Offer Letter for the property duly signed by the property owner and verified by the Mortgage Lender.
 - ii. The RSA of the applicant shall have both employer and employee's mandatory contributions for a cumulative minimum period of 60 months (five years).
 - iii. A Contributor under the Micro Pension Plan (MPP) is also eligible, provided he/she has made contributions for at least 60 months (five years) prior to the date of his/her application.
 - iv. RSA Holders that have less than three years to retirement are not eligible.

- v. Married couples, who are RSA holders, are eligible to make a joint application, subject to individually satisfying the eligibility requirements.
 - vi. RSA holders, if registered before 1 July 2019, must have their records updated through the RSA data recapture exercise.
 - vii. Application for equity contribution for residential mortgage shall be in person and not by proxy.
2. **Maximum Withdrawal Percentage:** The maximum amount to be withdrawn shall be 25% of the total mandatory RSA balance as at the date of application, irrespective of the value of equity contribution required by the mortgage lender. Where 25% of a contributor's RSA balance is not sufficient for payment as equity contribution, RSA holders may utilise the contingency portion of their voluntary contributions (if any).
3. **Eligibility criteria for mortgage lender:** To qualify as a Mortgage Lender for this purpose, the company must be licensed by the Central Bank of Nigeria (CBN), comply with the Contributory Pension Scheme (CPS) and have valid Pension Clearance Certificate (PCC). The Commission shall publish names of the eligible mortgage lenders on its website.

The Commission, hereby, invites interested RSA holders to contact their PFAs for more information and guidance. The complete Guidelines can be found on www.pencom.gov.ng.

Signed:
Management
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