

29 JULY 2022

PENSION-BACKED HOUSING LOANS AND GUARANTEES

NAMFISA is hereby informing the public that Section 19(5) of the Pension Funds Act, 1956 (Act No. 24 of 1956) (“the Pension Funds Act”) makes provision for pension funds to directly lend members a portion of their pension fund savings to buy immovable property or to make renovations to existing immovable property. In addition, the Pension Funds Act allows pension funds to furnish pension-backed guarantees to persons providing housing loans to its members for the same purpose.

The Financial Institutions and Markets Act, 2021 (Act No. 2 of 2021) (“FIMA”), which will come into operation at a date to be determined by the Minister of Finance, similarly provides for direct housing loans by funds to members as well as pension-backed guarantees.

Fund rules are the constitution of a pension fund and must make provision for a particular fund to grant direct housing loans or pension-backed housing loan guarantees to members. The fund rules will also determine the extent of the loan or guarantee that can be furnished to members.

Pension fund members are urged to read their pension fund rules and familiarize themselves with their rights and responsibilities. Should members have any queries concerning their rules, same can be raised with their respective pension fund Principal Officer or Trustees.

For more information, the public is encouraged to contact NAMFISA at info@namfisa.com.na

Kenneth S. Matomola
CHIEF EXECUTIVE OFFICER