



Economic and Social Rights Centre (Hakijamii)
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INPUT ON THE NATIONAL GOVERNMENT HOUSING FUND REGULATIONS, 2018

Topic	Section	Our Proposals
Voluntary contributions	Sec 6(1)(a) a minimum contribution of one hundred shillings designated to cover the costs and operations of the Housing Fund; and (b) a minimum amount of one hundred shillings per month to accrue as a benefit to the member;	<p>We note that, the member's contribution towards Fund's operations may discourage voluntary membership; this also creates inequity since employed people are not required to cater for operations.</p> <p>Further, the Fund should not make assumption that all unemployed people are poor. This is discriminatory. This group should be allowed to choose which category of housing they need and contribute according.</p>
Registration of employer and employee	4(1) every employer who, under a contract of service, employs one employee or more shall register with the Housing Fund as a contributing employer and shall register his all her employee or employees as members of the Housing Fund;	<p>We note that the regulations do not provide any exemptions for foreign nationals working in Kenya for a short period of time. We hope that this can be rectified before the regulations are enacted.</p> <p>We further also ask that the registration of employers and employees should be provided</p>

		on online platforms such as e-citizen.
Affordable Housing Scheme	Section 3(2) (a) (b) (c): social housing, low cost housing and mortgage gap housing.	It is not clear what happens if a member moves from one category to another due to receiving salary increments over time. The CS and his team should resolve these issues before the regulations are enacted.
Loan charges and fees	Sec 20 (a) (b) (c) (d); management costs; insurance for both life and asset as well as facility management costs. Read together with Section 18(b).	Housing acquired with all these additional costs will no longer be affordable for members who earn between 15,000 to 49,999.
Access to contributions	Sec 12. Members of the Fund can only access the contributions after five years of uninterrupted contributions and shall attract such an annual return as may be determined by the Corporation;	This is unfair and predatory of the members. Most employees in the private sector and some in the public sector are employed on contract. This means that if their contract is shorter than 5 years (which is usually the case) they have to forget house ownership. Think of the employment terrain in Kenya and give a provision for members who interrupt their contributions to get come-back after paying the arrears. Just borrow an idea from National Hospital Insurance Fund (NHIF).
Budget approval	Sec 24. The budget of the Housing Fund shall be	The regulations should put in place strict oversight measures to ensure the Housing Fund budget is not misappropriated.
	Sec 4. Mandatory contribution by all employers and employees.	This should be voluntary. This is due to the level of access and a number are in housing cooperatives and SACCOs already incurring mortgaging for acquisition of housing

		units. Therefore, it is not justifiable to subject them to compulsory Housing Fund. Further, some Kenyans are not interested in owning Houses. This section is also discriminatory to employers. It compels employers and employees to remit money where they are not sure of receiving housing.
	Land of procedure for land acquisition in the informal settlements.	The Regulations
	Sec. 16 & 17 on loans applications.	The mandate of issuing loans belongs to bodies that are regulated and accredited by the Central Bank of Kenya. This will safeguard citizens against money laundering and give space for the National Housing Fund to Focus on Provision of Housing. The Fund can borrow best practices from Mshwari Facility at Safaricom or KCB MPESA.
Definitions of social and affordable housing	Sec 3	The regulations should not define social housing in monetary terms/earnings. It is way beyond that. Social housing should have a component of government rental subsidies. The fund is taking a wrong approach, social housing should be rental and affordable to the lowest strata in the society.
Missing section in the regulations.	Conversion of housing Fund to Pension	In the event where a member of the Fund does not get a house, they contributions should be converted into a pension. Payable in lump sum during the first year of retirement.

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