

Borrower Attributes as Mortgage Default Triggers: Evidence from Nigerian Lending Market

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SUMMARY

The need for proper identification of mortgage default factors has become a major focus of mortgage researches given the debilitating effect of default on mortgage market and real estate finance in particular. The paper therefore analyzes the borrower socio-economic attributes as default triggers in residential mortgages of Primary Mortgage Institutions (PMIs) in Lagos metropolis, Nigeria. Relevant data were collected on profiles of Three hundred and five (305) borrowers randomly drawn from the credit databank of Thirty-six (36) PMIs out of which One hundred and sixty-three (163) were in “default category” while One hundred and forty-two (142) were in the “non-default category”. Using logit model, it was discovered that payment-to-income ratio, type of borrower, sex and educational status are significant mortgage default triggers.