



DEVELOPER OFFTAKE GUARANTEE REQUIREMENTS

The Ministry of Finance Incorporated (“**MOFI**”) Real Estate Investment Fund (“**MREIF**”) is a close-ended real estate investment fund established as a unit trust scheme, pursuant to the Securities and Exchange Commission’s Rules and Regulations, domiciled in Nigeria and denominated in Naira. The Fund is sponsored by the Ministry of Finance Incorporated and managed by ARM Investment Managers Limited (the “**Fund Manager**”).

The mandate of the Fund is to bridge the Nigerian housing deficit by addressing both supply and demand issues through the provision of low-cost mortgages to intending home buyers through Eligible Financial Institutions (“**EFIs**”) and the provision of offtake guarantees to qualified developers.

The Fund will provide off-take guarantees to Qualified Developers as a credit enhancement, enabling Qualified Developers to secure financing from construction lenders by mitigating off-take risk. The Offtake Guarantee is a legally binding agreement that provides assurance to a Qualified Developer that unsold housing units from an approved housing project will be purchased by at a predetermined price.

Key Terms and Conditions of Offtake Guarantee

- **Guarantee Terms:**
 - Subject to and effective only upon the satisfaction of the conditions of the offtake guarantee, the Guarantor (“**MREIF**”) irrevocably and conditionally guarantees to the Developer that the Guarantor shall offtake up to 40% of the housing units in an approved housing project.
 - The minimum number of units in a project for offtake guarantee is 100 units.
- **Qualified Developer Responsibilities:**
 - Qualified Developers will be primarily responsible for the sale of the housing units and must use reasonable efforts to sell the units during the pre-sale and sales period.

- o Qualified Developers must comply with approved development criteria, including construction quality, permits, and documentation.
- o Qualified Developers must list housing units on the MREIF digital platform for sales transparency.

Documentation and Requirements

To be eligible for an offtake guarantee, Qualified Developers under the MREIF program must provide the following:

- **Qualified Developer Documentation:** Developer documentation, including:
 - o Copies of relevant constitutional documents including Certificate of Incorporation & MEMART (CAC).
 - o Evidence of up-to-date annual returns filing with CAC.
 - o Letter of good standing from financiers and /or capacity to raise financing for the proposed projects.
 - o Detailed profile of directors & shareholders.
 - o Organisational chart, including subsidiaries or affiliates (if any).
 - o Audited financial statements (last 3 years).
 - o Evidence of all valid business licenses, memberships, permits, regulatory and authorisations required to conduct business.
 - o Copies of internal policies on risk management, HSE, ESG, quality control, etc.
 - o Residential development track record, including completed and pipeline housing projects.
 - o Any additional relevant documentation required by MREIF.
- **Project Documentation:** Project Documentation, including:
 - o Detailed project description and information.
 - o Detailed project documentation, including all approved drawings, construction programme, etc.
 - o Bill of Quantities (BOQ).
 - o Project title and survey documentation.
 - o Project permit and approval documentation.
 - o Detailed project financials.
 - o Detailed marketing strategy.
 - o Location and neighbourhood description (map, landmarks, proximity to social amenities).
 - o Agreements with relevant stakeholders, including homeowners' associations, contractors, local communities, etc. (if available).

- o Project party information (contractors and consultants).
- o Project financing plan.
- o Funding commitment from a construction finance lender.
- o Any additional relevant documentation required by MREIF.

Offtake Guarantee Application Process	
1	Log on to mreif.com.ng and open an account as a Developer
2	Submit Qualified Developer Qualification documentation for preliminary assessment.
3	Upon satisfactory assessment of the Developer, submit all relevant Project Documentation for assessment.
4	Upon satisfactory project assessment, an offer letter will be issued to the Developer for the Offtake Guarantee.
5	Should the Developer accept the offer for the Offtake Guarantee, an offtake guarantee agreement will be entered into by the Fund Manager and the Developer to facilitate the raising of construction finance and construction of the housing projects.