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Performance of Mortgage Valuation in Kaduna Metropolis, Nigeria.

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ABSTRACT
This study assessed mortgage valuation performance in Kaduna metropolis with a view to improving the quality of mortgage valuation practice. The study adopted a quantitative approach, where data was collected using questionnaires from 75 estate surveyors and valuers and 41 commercial Banks randomly selected from the studyarea. The data collected was subjected to descriptive statistics to examine the degree of agreement and significance of the various variables. The study revealed that mortgage valuation creates credit risk, expose lenders to financial loss, discourage the availability of loan advancement, overprotect lenders fund at the detriment of borrowers need and reduce access of borrowers to adequate loan. The study recommended that emphasis should be placed on members' specialization in the valuation practice, latest edition of Nigerian Institution of Estate Surveyors and Valuers' valuations standards (2019) be widely distributed and enforced, Estate Surveyors and Valuers should put in place quality control measures in their practice so as to improve the reliability of their valuation report and Nigerian Institution of Estate Surveyors and Valuers should make it mandatory for all Estate Surveyors and valuers to submit relevant data (sales figures, rental values, outgoings, yield rates, etc) on all transactions with respect to property sales and lettings compulsorily for the purpose of building and regularly updating a data bank.

I. INTRODUCTION

Landed properties play essential roles in any economy. One of these roles is the use of landed properties as collateral for mortgage lending. Mortgage is a transaction whereby a borrower grants an interest in his property to a lender as collateral for a loan. The transaction is usually effected by a deed in which the borrower commits to paying the loan amount together with interest thereon (Chiwuzie, Mbagwu & Adeipukun, 2017). Studies in Nigeria have found that institutional lenders such as banks prefer landed properties as collateral for loan advancement (Bello & Adewusi, 2009, Effiong, 2015). The reason for this might not be unconnected to the inflation hedging ability of landed property. Where a landed property is presented by the borrower as collateral for a loan, the lending institution will usually seek for advice on the market value of the property. This is necessary so as to relate the value of the property to the amount of loan sought (Elekwachi, 1996, Bello & Okorie, 2012, Elekwachi, Udobi & Okoro, 2016). Consequent upon this, an estate surveyor and valuer is commissioned to carry out valuation for mortgage purpose in order to provide the lender with an accurate estimate of the open market value of the property and further advice on the maximum amount that can be safely advanced as loan (Effiong 2015). In this respect, the ability of a bank to sustain credit risk in its loan and advances will depends on the performance of mortgage valuation.

According to Aluko, (2000), the original reason for providing a valuation for mortgage purpose was to prevent or at least restrict the misrepresentation of assets values as a means of perpetuating fraud, avoiding blame or concealing losses. Therefore, it is important in the loan underwritten to know the degree by which the asset value exceeds the loan in providing the margin of asset cover or the loan-to-value ratio. The lender needs to have an idea of the amount the property would realize should the borrower default in repaying the loan. Lendersgenerallydependon valuationopinionstomakedecisionsonmortgage lending.Suchlenders expectvaluationopinionstoprovidean accuratebasisfortheirlendingdecisions.Unfortunately,thereisgrowingsuspicion thattheadvicethevaluersoffer in the process of granting loan or credit extensionisdrivenbytheneedtoincreaseorgeneratefees and that his assessment methods are shrouded withmysteryandareindefensible(Chinaza, Fidelis & Chukwudi 2019). Oyedeji and Sodiya (2016)similarly observes that"mortgage valuation expose lenders to financial loss which in effect discourage the availability of loan advancement".Indevelopedcountriessuch astheUKandUS, mortgage valuation has been assessed to probe such allegations. (see Blundell & Ward 2008, Abrams, 2004). Theneedforassessing mortgage valuation isnotrestrictedtodeveloped countries: all countries require investigativestudieswhichcouldsuggesthowitsvaluationprofessioncanputitshousein order(ifinaccuraciesaredetected),sothat itsclientscanconfidentlybasetheirdecisions onvaluationestimates (Ogunba, 2004).

In Nigeria today, the disparity in valuation opinion of valuers has been an object of discussion in real estate profession. The competence of the valuer as well as the reliability of valuation report has been paramount in these discussions. Gambo (2011) noted that both within and outside the profession the valuation process has been the focus of recent debate and controversy as cases of two or more valuers giving different opinion of values for the same interest in property with wide margins of variation abound. In the same vein, there has also been a focus on the seeming inability of valuation estimates to accurately represent/interpret market prices or serve as a security for bank loans (Ayedun, 2009). Previous studies investigating issues related to valuation reliability in Nigeria mostly concluded that valuation as it is now, is not a good indicator for mortgage transactions due to prevalent valuation inaccuracy, inconsistency, and irrationality (Ogunba & Ajayi, 1998; Ajibola, 2006; Babawale & Ajayi, 2011, Ajibola 2011, Effiong 2015, Oduyemi, Okoro and Fajana 2016,). Comments of this nature have led many to ask whether estate surveyors and valuers are interpreters or creators of value. From the above statements, it is obvious that the problem of performance of mortgage valuations exist in Nigeria.

The performance of mortgage valuation depends on the quality of the data input, assumptions, valuation methodology and the judgment exercise by valuers in the valuation (Chukuemaeka (2014).Figures obtained during valuation exercises are very crucial to the operations and business dealings of lenders. Wrong opinion of value can cause strain in business dealings. For example, various banks have suffered losses by granting loans in excess of actual value. Other envisaged consequences of continuous and unchecked valuation performance include constraints on mortgage foreclosure, adverse influence on the relevance and credibility of the valuer and damage to confidence imposed on the property market (Chiwuzie, Dabara & Abdullahi, 2016). In Nigeria, several academic attempts have been made to investigate issues related to mortgage valuation (Aluko, 2000, Aluko, 2004 Babawale & Alabi 2013,Adekoge, 2013, Olafa 2015, Oyedeji and Sodiya, 2016, Chinaza, Fidelis &Chukwudi 2019). However, these studiesaddressed the issue in the context of southern Nigeria property market experience and focused on degree of mortgage valuation accuracy and factors influencing valuation accuracy. Additionally, none of these studies assessed the performance of mortgage valuation. Hence, this gap in literature necessities the study in Kaduna state.

LITERATURE REVIEW

Concept of Mortgage Valuation

A Mortgage can be described as the process of using a property as security for a loan. Merriam-Webster (2019) defines mortgage as a loan in which property or real estate is used as collateral. The borrower enters into agreement with the lender wherein the borrower receives cash upfront then makes payment over a set time span until he pays back the lender in full. A mortgage valuation can arise from a consent given by a bank or a request from its customer to borrow money from the bank. The loan is usually backed by a collateral security which the bank calls for its valuation to determine its market value (Mfam & Akpan, 2014). A mortgage is a transaction in which one party (a mortgagor) grants another party (a mortgagee) an interest in his property as a security for a loan that the mortgagee is granting the mortgagor (Ogunba, 2013; Johnson, Davies & Shapiro, 2000). Aluko (2007) sees mortgage as the giving of an interest in land as a security for the repayment of a loan, the borrower having the right to recover the title to the land when the loan is repaid. He further stated that the person at critical disadvantage or position should there be a default in the payment of the loan is the mortgagee or lender. Ogunba (2013) have listed four remedies to the mortgagee if the mortgagor defaults in the repayment of the loan to include the following.

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To appoint a receiver to collect the rental income from the property.
To take possession of the property, effectively becoming the receiver of the rental income
To apply to the court for a foreclosure order of sale. Which will have the effect of extinguishing the mortgagor's equity of redemption.
To sell the property under the implied power of sale.

It is clear from iii and iv above that valuation for mortgage can be assumed to be on the same principle as if for sale, since, the lender, in order to realize the security can take advantage of foreclosure order or power of sale. But Aluko (2004) observed that Central to this, the property must be assumed to have been sold for cash consideration in the open market at the valuation date. The open market value (OMV) is intended to represent the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have acted knowledgeably, prudently and without compulsion (IVSC, 2007).

The OMV establishes the upper limit above which the lender should not exceed in advancing loan. It enables the lender to evaluate the potential profitability or marketability and security of the mortgage investment as at the date of valuation. The OMV is also taken into consideration where the mortgagor is in default or distress and, the mortgaged property is to be disposed of in the open market to defray the debt owed (Aluko, 2004).

In making a valuation for mortgage purpose, the ordinary principles of valuation apply, Chukwuemeka, (2014) observed that both the valuers' training and valuation regulatory bodies generally prescribe a systematic step-by-step process the valuer is mandated to follow through from valuation instruction to arriving at opinion of value. The International Valuation Standards Committee (IVSC) prescribed an eight-step valuation process model comprising the definition of problem (identifying the legal, physical, and economic characteristics of the property including the scope of the assignment and limiting conditions); site inspection and market studies; data collection, selection and analysis; choice of appropriate valuation basis and method(s); reconciliation of values indicated and arriving at the final opinion of value; and reporting of the defined value.

Wyatt (2003) noted that inaccuracy can be introduced into the valuation process at any stage beginning from the instruction given by the client through to inspection of the property, selection of comparables, valuers' approach to the valuation, choice of method (s), calculations to arrive at the defined value, and the final valuation opinion, which may be adjudged accurate or inaccurate.

The Need for Reliable Mortgage Valuation

Aluko(2004)arguesthatthegrowing numberofdistressedbanksinNigeriaandtherecognition ofmortgagevaluationasa measure ofinvestmentperformanceofcollateralstomitigate therisks ofloanunderwritingprocessesnecessitatevaluationreliabilitystudies.Availability ofcredithas been frequently described as the lifeblood of any real estate development. But, mortgage valuationisfundamentaltobanklendingdecisions(Ayedunetal., 2011). Ayedunetal.(2011)addedthatintheabsenceofcontinuously traded,deepandsecuritized markets,property valuationsperformavitalfunctioninthepropertymarket by actingasa surrogatefortransactionprices.Aswithassetpricesintheequity marketandbondmarkets, property assetvaluationsarecentraltotheinter-relatedprocessesofperformance measurement, acquisitionanddisposaldecisions.

The needforreliable valuationsispremisedonthe factthatvaluationsarea decision-making tool. Theyprovidethebasis forpropertyperformancemeasurementsand otherinvestmentadvice (McAllister, 1995). Another need for reliablevaluationsisnecessitated by the fact that mortgageinstitutionsrelyheavily onvaluationsfortheirlendingdecisions.Murdoch(2001) notedthatonlyinrarecasesdoesalenderseekto claimthatthevaluerwasnegligentinfailing to predictafuturemarketfall.Instead,thedisputewhichhasbeentakentothehighestCourtsin boththeUKandAustraliaisatotally differentone,namelywhetheronceithasbeenestablished amortgagevaluerisguilty ofnegligenceinsomeotherrespect,shouldthevaluerbeheld responsibleforallthelender'slosses,includingthosewhichresultfromthemarketfall.In seekingtojustify suchanimposing liabilitytothevaluerthelenderisarguing haditnotbeenfor thevaluer's negligencetherewould havebeen noloan and thereforeno loss.

Babawale(2013) arguesthat considering the roleof valuations (as surrogate for actual transactionprices)intheoverallworkingsofthepropert y andfinancialmarkets,itisimperative thatvaluationsprovideareliableproxy for prices;otherwiseahostofdecisionsbasedon valuationswouldbemisleading.Regrettably,thereare persuasiveconceptualand empirical groundstosuggestthatuncertaintyisinherentinthevaluationprocessprecludingvaluations fromfulfillingitsintendedrolereliably andcreditably.Fortheresidentialmarkettthereis, by contrast,alackofevidenceandresearchconcerningvaluationreliability,largely duetothe absence of any perceived significantimpact on portfolio performance. Yet, reliability in valuations is important inrelation to bank lending and theloweringoffinancial risk.

Implications of valuation performance on Mortgage Lending

The two possible forms of valuation non reliability are overvaluation and undervaluation (Mallinson & French, 2000). Overvaluation implies that the value of the collateral value is inflated and may not support the transaction, thereby creating a credit risk if relied upon (Oyedeji & Sodiya, 2016). Where the opposite is however the case (i.e. undervaluation) it implies an over protection of the provider of finance at the detriment of the user of fund (developer). At the instance of the latter, the collateral"s potential is underestimated, ultimately reducing fund available to developer. For instance, where an investment appraisal considered to attract finance is undervalued, the potential returns will be underestimated and therefore renders it less attractive to investors (financiers) and vice versa. On the other side, where a sale value of a proposed project is over bloated in a forward sale/letting arrangement, the subscribers will not be able to recoup the invested capital within an expected period and where it is financed by loan, the returns from the letting /sales of the project may not be able to service/offset the loan due to inaccurate cash analysis developed from the initial valuation.

The contribution of secondary mortgage institution to real estate finance cannot be overemphasized. Nubi (2003) established that mortgage system cannot work effectively without a functioning secondary mortgage institution. The success of secondary market in the U.S has led both private and public sector officials in many countries to recommend its creation as a way of enhancing the flow of fund to housing. However, Lea (2002) emphasized that it is not possible to have a sustainable secondary mortgage market unless there is a healthy and well developed primary mortgage. Furthermore, he added that without an accurate valuation, the dream of a functioning secondary mortgage market will remain a mirage. Therefore, accuracy of property valuation determines functionality and sustainability of the mortgage system.

Also, in an event where investment in real property is to take the form of „sale and leaseback, the principle here involves the outright sale of one's interest in a real property as a means of obtaining finance. The same property sold is then taken on leasehold basis by the seller. This method has the advantage to the seller in the sense that he can get enough funds for his project and at the same time secure occupation. He can also obtain higher fund than in a mortgage transaction. Meanwhile, if the selling price of the land is derived from an inaccurate valuation (say under valuation), it will reduce the amount that will be paid by the buyer and the fund which will be available to the seller for the project.

The principal issue in valuation accuracy is standardizing the information set to ensure that all valuers are equally informed. Valuations are functions of information. The better the information set the better the valuation. The spread of valuations depends upon the completeness of information while only the difference in interpretation may lead to possible transactions (Brown, 1992) In Tanzania, Sanga (2004) identified that there is low level of lending in the country despite financial institutions cash reserve (loanable funds). Also noted that lenders prefer increasing level of interest rate (on lending) and this bears noticeable relationship to lending pattern. He noted financial institutions (lenders) have largely criticized Land Act 1999 and lack of reliability on valuation of collateral as a disincentive to lending, hence the use of high interest rate and other regulatory measures. The level of interest rates was compared and contrasted to a number of registered mortgages for a period of 1999-2002 and there is a negative correlation between interest rates and number of registered mortgages.

In conclusion, the implication of valuation non reliability depends on the nature of the valuation inaccuracy. Overvaluation negatively affects lenders thereby discouraging granting of loans. Also, undervaluation reduces the accessed loans to the borrowers" thereby reducing available fund for property development.

II. METHODOLOGY

The research addressed two study populations: Estate Surveyors and Valuers and Commercial Banks in Kaduna metropolis, Nigeria. The sample frame of the estate surveyors and valuers was secured from the most recent updated version of the directory (2020) of Nigerian Institution of Estate Surveyors and Valuers (NIESV), Kaduna state branch. The sample frame of the Financial institution was secured from the directory of the Central Bank of Nigeria. Structured questionnaires with close-ended questions were administered based on a cross sectional survey to 86 Estate Surveyors and Valuers and 52 officers of commercial Banks. Specifically, the questionnaires seek respondents' perception or opinion on the effect of valuation reliability indicators on mortgage valuation performance in the study area**.** The respondents were selected based on stratified random sampling technique. The data collected were analysed using frequency distribution, mean raking for the variables and regression analysis.

III. RESULTS AND DISCUSSION

Response Rate

A well-structure questionnaire was disseminated to Estate Surveyors and Valuers in private practice and Commercial Banks in Kaduna metropolis. However, not all the copies distributed were returned as envisaged. Table 4 shows the distribution and return rate. A total of 86 questionnaires were administered to the Principal Partners of estate surveying and valuation firms practicing within Kaduna metropolis. A response rate of 87% was achieved. This achievement was due largely to the good relationship existing between the researcher and most of the estate surveyors and valuers practicing within the study area.

A response rate of 67% was achieved on questionnaires administered to commercial banks. The high response rate recorded is attributed to the follow up that were done by the researcher and also on the insistence of questionnaire to be answered when given.

Table 1: Response Rate

Study Population	Questionnaire distributed	Questionnaire retrieved	percentage (%)
Estate Surveyors and Valuers	86	75	87
Commercial Banks	52	41	82
Total	**138**	**116**	**84**

Profile of Respondents

In order to ensure the reliability of the data for the study, the questionnaire sought information on the characteristics of the respondents estate surveyors and valuers in private practice and commercial banks.

Profile of Estate Surveyors and Valuers

Table 2 below provides information on various characteristics of respondent Estate Surveyors and Valuers. The table revealed that the majority of the respondents are male representing 85%, while female represent 15%. This shows that male respondents are majority of the practicing Estate Surveyors and Valuers in the study area. The majority (75%) of practising Estate Surveyors and Valuers were found to be between 31 and 50 years of age while those above 50 years accounted for 23%. Thus, practicing estate surveyors and valuers between 31 and 50 years are twice those above 50 years of age. This result is not unexpected because the energy and zeal to run private business such as estate surveying and valuation firms is more within the 31 to 50 years age bracket.

The qualification distribution of respondents as shown in table 2 shows that 59% have HND, 28% have BSc degree, 12% have MSc degree while only 1 (1%) has PhD. This indicates that majority of the practicing Estate Surveyors and Valuers in the study area are HND holders.Table 2 also revealed that majority of the respondents are associates members of the Nigerian Institution of Estate Surveyors and Valuers representing 83%, while 17% are fellows of the institution. This shows that the respondents were all associates and fellows of the professional institution.

Majority of the principal partners of estate surveying and valuation firms (86%) in the study area have experience between 11 to 30 years as shown in Table 2. This is not unexpected because the profession officially started in 1975 and most of the firms were located in Lagos. With regard to the nature of ownership of estate surveying and valuation firms, table 2 revealed that those classified as sole proprietorship constitute 92% of practice in the study area, while partnership constitute only 8%. This may impede formation of mega practice firms which are products of joint practice.

Table 2 also showed that majority of the respondents are into general practice representing 79%, therefore giving no room for specialization. If we accept the argument that specialization gives rise to efficiency, then this result may suggest that most firms of estate surveyors and valuers might not be operating at the highest level of efficiency. Only 8% per cent of estate surveying and valuation firms specialize in valuation.

With regard to the number of conferences, workshops and seminars attended by the respondent estate surveyors and valuers between 2016 and 2020, table 2 showed that 58% of the respondents attended average of 1 to 5 conferences/workshops/seminars within the 5 year period, 37% attended 6 – 10 conferences while 4% of the respondents did not attend any. This suggests that valuers are taking time out to improve their knowledge, though the majority attendance of 1 – 5 conferences/workshops/seminars cannot be seen as very sufficient.

Table 2: General Characteristics of Respondents Estate Surveyors and Valuers

VARIABLES	OPTIONS	FREQUENCY	PERCENTAGE
Gender	Male	64	85
	Female	11	15
Age	Below 30 years	2	3
	31 – 40 years	15	20
	41 – 50 years	41	55
	51 – 60 years	11	15
	61 and above	6	8
Highest academic qualification	HND	44	59
	BSc	21	28
	MSc	9	12
	PhD	1	1
Grade of professional membership	Associates	62	83
	Fellow	13	17
Years of professional experience	1 – 10	7	9
	11 – 20	37	49
	21 – 30	28	37
	31 and above	3	4
Nature of firm ownership	Sole proprietorship	69	92
	Partnership	6	8
Firm's area of specialization	Valuation	6	8
	Agency	3	4
	Management	5	7
	Property development	2	3
	General practice	59	79
Number of conferences/workshops/seminars attended	1 – 5	46	58
	6 – 10	29	37
	11 – 15	0	0
	15 and above	0	0

Profile of Bank Officials

Table 3 below provides information on various characteristics of respondent bank officials. The table indicated that 66% of the respondents are male as against 34% female respondents. This might be due to the stress and pressures of Bank work which might discourage some women at the child rearing stage. The majority of the Bank respondents had either a Bachelors Degree (51%) or Higher National Diploma (37%) while 12% of respondents had Master of Science degree. The above statistics show a high education base for the Bank respondents which implies that the respondents are sufficiently educated to understand and respond to the various questions.

Table 3 also showed that majority of the respondents have 11 - 20 years of professional experience (46% of respondents), while 34% of the respondents had 21 - 30 years experience. This also implies that majority of respondents have sufficient experience to provide reasoned responses.

Table 3: General Characteristics of Respondents Bank Officials

VARIABLES	OPTIONS	FREQUENCY	PERCENTAGE
Gender	Male	27	66
	Female	14	34
Age	Below 30 years	0	
	31 – 40 years	15	37
	41 – 50 years	19	46
	51 – 60 years	7	17
	61 and above	0	
Highest academic qualification	HND	15	37
	BSc	21	51
	MSc	5	12
	PhD	0	0
Years of professional experience	1 – 10	6	15
	11 – 20	19	46
	21 – 30	14	34
	31 and above	2	5

Mortgage Valuation Performance in Kaduna Metropolis

The result of in table 4 revealed the level of performance of mortgage valuation in the study area. Valuers agreed that Mortgage valuation creates credit risk, exposes lenders to financial loss, over protects lenders fund at the detriment of borrowers need and discourages the advancement of loan with mean scores of 3.59, 3.45, 3.37 and 3.28 ranked 1st to 4th respectively, while they disagreed that lender gives loan base on FSV regardless of knowledge of overvaluation or undervaluation, mortgage valuation reduces access of borrower to adequate loan and encourages lending institution to grant loan beyond FSV with mean scores of 2.41, 2.39, 2.34 ranked 5th to 7th respectively.

From the findings commercial banks strongly agreed that mortgage valuation creates credit risk with mean score of 4.61 ranked 1st. commercial banks also agreed that Mortgage valuation exposes lenders to financial loss, discourages the advancement of loan and over protects lenders fund at the detriment of borrowers need with mean scores of 3.63, 3.51 and 3.43 ranked 2nd to 4th respectively. The findings further showed that commercial banks were neutral to Mortgage valuation reduces access of borrower to adequate loan with mean score of 2.97 ranked 5th, while they disagreed that mortgage valuation encourages lending institution to grant loan beyond FSV and lender gives loan base on FSV regardless of knowledge of overvaluation or undervaluation with mean scores of 2.21 and 2.00 ranked 6th and 7th respectively.

The overall result showed that the respondents strongly agreed that mortgage valuation creates credit risk (4.28) ranked 1st. the results also showed that the respondents agreed that Mortgage valuation exposes lenders to financial loss (3.54) discourages the advancement of loan (3.40) and over protects lenders fund at the detriment of borrowers need (3.15) ranked 2nd to 4th respectively. The findings further showed that the respondents were neutral to Mortgage valuation reduces access of borrower to adequate loan (2.95) ranked 5th, while they disagreed that mortgage valuation encourages lending institution to grant loan beyond FSV (2.28) and lender gives loan base on FSV regardless of knowledge of overvaluation or undervaluation (2.21) ranked 6th and 7th respectively. The above result revealed the level of performance of mortgage valuation is very high, high, moderate and low respectively.

Table 4: Descriptive statistics on Mortgage Valuation Performance

		Mean	**Std. Deviation**	**Ranking**	**Remark**
Valuers					
	Creating credit risk	3.59	1.21	1st	High
	Exposing lenders to financial loss	3.45	1.35	2nd	High
	Over protecting lenders fund at the detriment of borrowers need	3.37	1.17	3rd	High
	Discouraging the advancement of loan	3.28	1.25	4th	High
	Lender gives loan base on FSV regardless of knowledge of overvaluation or undervaluation	2.41	1.28	5th	Low
	Reducing access of borrower to adequate loan	2.39	1.22	6th	Low
	Encouraging lending institution to grant loan beyond FSV	2.34	0.18	7th	Low
Banks					
	Creating credit risk	4.61	0.70	1st	Very High
	Exposing lenders to financial loss	3.63	1.20	2nd	High
	Discouraging the advancement of loan	3.51	1.15	3rd	High
	Over protecting lenders fund at the detriment of borrowers need	3.43	1.16	4th	High
	Reducing access of borrower to adequate loan	2.97	1.36	5th	Moderate
	Encouraging lending institution to grant loan beyond FSV	2.21	1.13	6th	Low
	lender gives loan base on FSV regardless of knowledge of overvaluation or undervaluation	2.00	0.96	7th	Low
Pooled	Creating credit risk	4.28	0.47	1st	Very High
	Exposing lenders to financial loss	3.54	0.13	2nd	High
	Discouraging the advancement of loan	3.40	0.16	3rd	High
	Over protecting lenders fund at the detriment of borrowers need	3.15	0.23	4th	Moderate
	Reducing access of borrower to adequate loan	2.95	1.29	5rd	Moderate
	Encouraging lending institution to grant loan beyond FSV	2.28	0.09	6th	Low
	lender gives loan base on FSV regardless of knowledge of overvaluation or undervaluation	2.21	1.12	7th	Low

IV. SUMMARY AND CONCLUDING REMARK

The study assessed the performance of mortgage valuation in Kaduna metropolis. Findings from the study have shown that mortgage valuations create credit risk, exposes lenders to financial loss and discourages the advancement of loan. This can be attributed to prevalent over valuation. The finding is consistent with the study of Oyedeji and Sodiya (2016) which revealed that banks are expose to financial loss as a result of overvaluation which in effect make the banks to discount forced sale value to afford them extra cover against loss. This has serious implications on the credibility and the role of the valuer in the loan underwritten process since if mortgage valuations are not meeting the need of the lenders, they may look elsewhere to satisfy their demand. The study also revealed that a slight majority of the respondents agreed that mortgage valuation over protects lenders fund at the detriment of borrowers need. This can be attributed to undervaluation. This finding is in line with the study of Ojo (2004) which revealed that mortgage valuations are under representing the value of foreclosed collateral security. The implication of this is that valuers could lose the confidence reposed on them by clients. This development is not healthy for the profession as it will cast doubt on the role and relevance of the valuer in mortgage lending decision process.

In conclusion, we recommend that emphasis should be placed on members' specialization in the valuation practice, the latest edition of NIESV valuations standards (2019) be widely distributed and enforced, Estate Surveyors and Valuers should put in place quality control measures in their practice so as to improve the reliability of their valuation report and NIESV should make it mandatory for all Estate Surveyors and valuers to submit relevant data (sales figures, rental values, outgoings, yield rates, etc) on all transactions with respect to property sales and lettings compulsorily for the purpose of building and regularly updating a data bank.

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