



**Republic of Namibia**  
**Ministry of Finance and Public Enterprises**

**NATIONAL ASSEMBLY RESPONSE TO QUESTIONS BY HON ELMA  
DIENDA (PDM), MEMBER OF PARLIAMENT, ON THE MEMBERS  
OF PARLIAMENT PENSION FUND**

*Ipumbu Shiimi, MP*

*Minister of Finance and Public Enterprises*

**5 October 2023**

*Honourable Speaker,  
Honourable Members,*

I rise to respond to questions, raised by Hon. Elma Dienda regarding The Fund providing a pension-backed housing loan facility. These questions give us yet another opportunity to clarify and educate the members.

*Thank you for bringing this matter to our attention.*

Honourable Speaker, let me respond to specific questions by Hon. Dienda as follows:

**Where are our MPs' investments placed, and why is it necessary to establish an agreement with Standard Bank?**

The Fund offers a housing loan facility backed by pensions. These loans are provided by a financial institution with an arrangement with the Fund, in this instance, Standard Bank Namibia. The Fund provides assurances to the Bank, leveraging the member's accrued pension benefits, and in return, the Bank extends a loan to the member. Your funds are managed by designated asset managers appointed by the Fund. Asset managers are entities registered with NAMFISA responsible for overseeing pension fund assets.

Currently, the pension housing loan facility does not involve direct loans from your pension accrual. Instead, it operates as an indirect loans, where the Bank lends the money, and the Fund offers a guarantee.

*Honourable Members*

**How will this loan agreement impact my 1/3 lump sum when I cease to be an MP?**

This loan will only affect your 1/3 lump sum if you leave before fully repaying the loan. The outstanding loan balance will be deducted from your lump sum. It's important to note that the maximum loan amount you can access is limited to 70% of your 1/3 lump sum.

**The granted loan is subject to interest; do these interest payments go to GIPF or the Bank?**

The loan is issued by the Bank and not by the Members of Parliament and Other Office Bearers Pension Fund. The Fund exclusively provides a guarantee or collateral based on your pension for a housing loan offered by the Bank. Therefore, you are responsible for repaying the bank loan, including the interest.

**MPs' deductions are channeled directly to Standard Bank, following the agreement with the Members of Parliament and Other Office Bearers Pension Fund. How does the Bank fit into this arrangement?**

The Bank acts as the lender, utilizing its funds to offer this service to you. The Fund's role is primarily to provide guarantees. The Fund, representing Members of Parliament and Other Office Bearers, has an agreement with the Bank on behalf of its members to enable access to these loans.

**When will civil servants become eligible to avail of this service?**

Regarding the pension-backed housing loan facility for civil servants, the process is nearing completion, with only the issuance of a deduction code pending.

**I thank you**