Headline	Where everyone can own a home		
MediaTitle	The Edge		
Date	19 Nov 2018	Color	Full Color
Section	Supplement	Circulation	25,785
Page No	AF1TOAF4	Readership	77,355
Language	English	ArticleSize	4256 cm²
Journalist	N/A	AdValue	RM 73,279
Frequency	Weekly	PR Value	RM 219,837

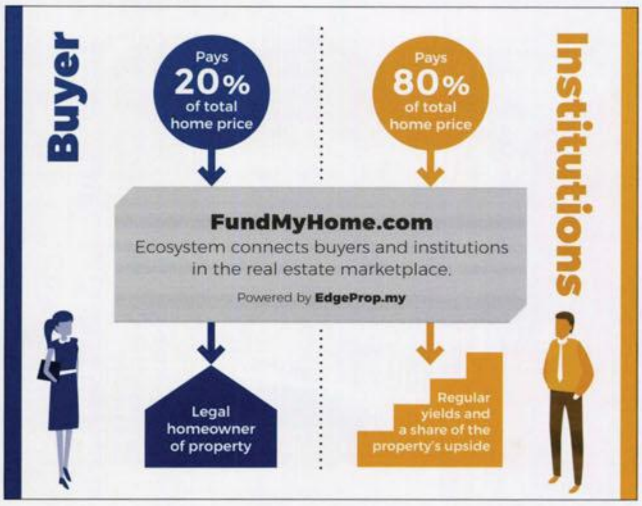
Where everyone can own a home

Headline	Where everyone can own a home		
MediaTitle	The Edge		
Date	19 Nov 2018	Color	Full Color
Section	Supplement	Circulation	25,785
Page No	AF1TOAF4	Readership	77,355
Language	English	ArticleSize	4256 cm²
Journalist	N/A	AdValue	RM 73,279
Frequency	Weekly	PR Value	RM 219,837

ABOUT FundMyHOME

FundMyHome is a digital platform that brings first-time homebuyers and institutional investors together in a mutually-supportive relationship. Homebuyers pay 20% of the purchase price to own and occupy a home. The rest of the 80% is raised from institutions. The process is fast, simple and transparent. At the end of five years, homeowners can choose to sell, buy the remaining portion they do not yet own or refinance the home, sharing the returns from any changes in the value of the home with investors.

Concept



OUR POTENTIAL Home Buyers

We seek those who are interested to get onto the first step of the housing ladder. They are typically young, responsible and aspirational Malaysian households earning RM4,000 to RM5,000 a month and who are now renting or perhaps living with family.

To meet the 20% upfront payment needed when buying a home through **FundMyHome**, the person may draw on their own savings, take a personal loan from a bank or approach friends and family for assistance.

After 5 years

Buyer can:

1. Sell the home
2. Buy the remaining portion that he does not yet own (at the prevailing market value), or;
3. Refinance the home via FundMyHome

Headline	Where everyone can own a home			
MediaTitle	The Edge			
Date	19 Nov 2018	Color	Full Color
Section	Supplement	Circulation	25,785
Page No	AF1TOAF4	Readership	77,355
Language	English	ArticleSize	4256 cm²
Journalist	N/A	AdValue	RM 73,279
Frequency	Weekly	PR Value	RM 219,837

Here is how FundMyHome helps

Example 1 - **Paying the 20% with Savings**

Let's say you now rent. You have some savings or are able to gather from family the RM60,000 needed to pay 20% of a RM300,000 home under FundMyHome. You move in, paying nothing more over the next five years. You would have saved a total of RM72,000 and have equity of RM60,000 to show for at the end of the period.

	RENTING	FundMyHOME
Upfront cash required	0	60,000
Monthly rent (Year 1-5)	1,200	-
Ownership at end of Year 5	0	60,000[1]
Total rental payment for 5 years	72,000	0

1. Value of the homeowner's 20% equity assuming the property price remains unchanged

Example 2 - **Paying the 20% with a Personal Loan**

Let's now say you take out a personal loan to fund 20% of a RM300,000 home under FundMyHome, your monthly payments are equivalent to building up equity in the home. At the end of five years, you would have saved RM60,000 in a home under your name. In contrast, if you had continued to rent for five years paying RM1,200 a month, you would have spent RM72,000 but have nothing to show at the end of five years.

	RENTING	FundMyHOME
Upfront cash required	0	0
Monthly rent (Year 1-5)	1,200	-
Monthly loan repayment (Year 1-5)	-	1,200[1]
Ownership at end of Year 5	0	60,000[2]

1. Arises from servicing the 7%, 5-yr RM60,000 personal loan taken out to fund 20% of the purchase price. Interest calculation is based on reducing balance method.
2. Value of the homeowner's 20% equity assuming the property price remains unchanged

Example 3 - **Post 5 years**

Buying through FundMyHome rather than renting during the first five years also puts them in a better financial position for a mortgage thereafter. Continuing their journey as a homebuyer under FundMyHome, by Year 6, they would have accumulated RM60,000 or 20% equity in the home (see table below). Should they choose to apply for a 80% mortgage to buy the home, they need no further funds to meet the downpayment. This scenario assumes the home price is unchanged at RM300,000. Even if the home price rises, to say RM350,000, they would only need to top up RM10,000.

	RENTING	FundMyHOME
Equity in home at start of Year 6	0	60,000
Funds needed for 20% downpayment:		
If the home price stays at RM300,000	60,000	0
If the home price rises to RM350,000	70,000	10,000
If the home price falls to RM270,000	54,000	24,000[1]

1. Due to the fall in home price, your remaining equity of RM30,000 is your original 20% equity of RM60,000 less the loss of RM30,000. The RM24,000 refers to the top up amount required to meet the new 20% equity of RM54,000 based on home price of RM270,000

On the other hand, if they had stayed in a rented house through the first five years, they would have no equity in the home and would need to freshly raise RM60,000 towards the downpayment of 20% to purchase a home of RM300,000. Worse if the home price has risen to RM350,000 - they would need to raise RM70,000.

The reality is, they will never be worse off with FundMyHome compared to renting. If the house price falls by 10%, they would still have positive equity value of 10% of the original house price. Even with a fall of 20%, they are not worse off than renting. The positive equity value created is what helps them to eventually own the home completely.

Example 4 - **FundMyHome or Mortgage**

The answer depends on individual circumstances, risk appetite, mortgage terms, investment horizon and their expectations for how home prices behave over the five years.

	MORTGAGE[1]	FundMyHOME[2]	FundMyHOME[3]
Purchase price	300,000	300,000	300,000
Downpayment (20%)	60,000	60,000	60,000
Monthly payment (Year 1-5)	1,216	0	0
Total payments over 5 years	132,960	60,000	70,000
Remaining mortgage / claim	218,779	240,000	280,000
Cost to own the property	351,739	300,000	350,000
Difference in cost		51,739 less	Breakeven

1. Assumes 80% loan, 30-year fixed rate mortgage at 4.5% interest rate
2. Assumes home price unchanged at RM300,000 in Year 5
3. Assumes home price rises by 17% to RM350,000 in Year 5

To buy a 3-bedroom apartment costing RM300,000, a homebuyer under both options needs to pay RM60,000 upfront. Over the next five years, with a mortgage, you need to keep up with RM1,216 in monthly repayments. With FundMyHome, there is no monthly repayment.

By the end of the fifth year, with a mortgage, you would have paid nearly RM132,960 and still owe RM218,779. Under FundMyHome, you would have paid only RM60,000 and have a balance of RM240,000 outstanding.

Another way of looking at it is that the amount already paid plus the outstanding loan payable would be RM351,739 under a bank mortgage. Under FundMyHome, the equivalent amount is only RM300,000 or nearly RM52,000 cheaper. This is because much of the payments in the early years under a mortgage went towards interest.

However, should home prices rise by more than 17%, you would be better off with a normal mortgage. It is worth noting that the risk of losses due to a fall in home prices is higher under a mortgage. With FundMyHome, your loss is limited to the capital you invested, which is 20% of the original house price.

In summary, if you have the access to a bank mortgage, prefer not to share your capital gains and do not mind bearing all the loss, FundMyHome is not for you. On the other hand, if you do not have access to a bank mortgage, are willing to share your capital gains and mitigate your potential loss, then FundMyHome may be for you.

Headline	Where everyone can own a home		
MediaTitle	The Edge		
Date	19 Nov 2018	Color	Full Color
Section	Supplement	Circulation	25,785
Page No	AF1TOAF4	Readership	77,355
Language	English	ArticleSize	4256 cm²
Journalist	N/A	AdValue	RM 73,279
Frequency	Weekly	PR Value	RM 219,837

THE DEAL for Home Owners

The benefits

Pay only 20% of the Purchase Price
By connecting homebuyers with institutions who contribute the remaining 80%, FundMyHome gives you easier access and more flexibility than a regular mortgage.

No mortgages, no monthly payments
Buyers enjoy ALL the benefits of ownership and occupation without monthly repayments. They enjoy more cash in the pocket at the end of the month to spend or save.

Move into your dream home today
With increased purchasing power, buyers can take their pick of the many types of properties, location and amenities, move into their dream home immediately.

The trade-offs

Upside is shared
Buyers do not pay any interest to the institutions who helped fund their purchase. But a portion of any capital gains after 5 years is shared.

Downside
Any fall in the value of property after 5 years is borne by the homeowner. However the amount is limited to the capital invested, which is only 20% of the original value of the home, and offset by rental earned or saved.

5-year holding period
We encourage long term owners, not speculators. Therefore, you must hold the home for 5 years during which you may either stay or rent it out.

In a nutshell, **FundMyHome** rests on homebuyers who are willing to share their future capital gains in exchange for the benefits of owning and occupying a home now. They pay just 20% of property price with potential of either savings on or earning rental income. They have no monthly repayments during the 5 years, no foreclosure risk, no personal liability and have their risk of capital losses capped to the 20% invested.

Conclusion

When choosing a home financing package, your individual circumstances will determine which financing arrangement best suits you. The market for residential properties and home financing products is competitive. Property prices are transparent and you should do your own research on prices, visit showrooms, browse property portals and talk to estate agents before making your purchase decision. Compare, contrast then choose. **FundMyHome** is not designed to be a solution for all potential home owners. But we are confident that we are a solution for some. **FundMyHome** seeks to ADD to the many offerings and choices out there.

FIND OUT MORE AT
FundMyHome.com
CONTACT: +603 7499 2730
EMAIL: support@FundMyHome.com

FundMyHOME
Where everyone can own a home