

Headline	A good scheme to own a home at lower cost, say attendees of FundMyHome public forum		
MediaTitle	The Edge Financial Daily		
Date	23 Nov 2018	Color	Full Color
Section	TheEdgeProperty.com	Circulation	4,549
Page No	7	Readership	13,647
Language	English	ArticleSize	973 cm ²
Journalist	SHAWN NG	AdValue	RM 10,666
Frequency	Daily	PR Value	RM 31,998



A good scheme to own a home at lower cost, say attendees of FundMyHome public forum

BY SHAWN NG AND RACHEL CHEW

PETALING JAYA: Some attendees at the FundMyHome Public Forum last Sunday (Nov 18) viewed it as a good scheme to help young Malaysians take the first step towards homeownership at a lower cost than the conventional route of taking a mortgage.

Attendees of the public forum were given a rundown on how FundMyHome works by EdgeProp Sdn Bhd chairman Datuk Tong Kooi Ong followed by a Q & A session.

Having received a clearer picture of the scheme now than when it was launched on Nov 4, the public would be more supportive of it, said those who attended the forum which attracted more than 550 people.

One of the attendees who only wanted to be known as Rama said FundMyHome was a laudable scheme to help those attempting to own their first home.

"This is a good scheme in helping young people to eventually own a home. And as a property negotiator for many years, I don't see this scheme as threatening the [real estate agency] industry.

"I believe this scheme could lower the cost of property purchase for first-time homebuyers and this is good news for all, including us property agents because we are facing difficulties in selling properties now due to high property prices," he told EdgeProp.my after the forum.

Another attendee, David Lim, who has been investing in real estate for about 20 years, described FundMyHome as a "fantastic scheme" as it allows the first-time homebuyer to gain full ownership of the home with just 20% of the price in the first five years.

"This is a fantastic deal for first-time homebuyers as the risk is low for them. If the house price goes down after the fifth year, they can buy it cheaper. So, what is the worst [for them]?" he asked.

C M Lai, who also attended the forum said it was an attractive scheme, adding that Tong was clear in explaining the role of the three main stakeholders — the developers, the institutions and the buyers.

"I came here to know more about this scheme and how it works. For a buyer, it is an attractive scheme, although you still need to repay your personal loan if you opt



Tong: FundMyHome is not a free lunch, it does not have government subsidy.



A participant taking the opportunity to ask a question about FundMyHome.

for one to come up with the 20% payment. However, getting a personal loan is easier than getting a mortgage, especially when you have just joined the work force," he said.

"It is also easier to get friends and families to be your personal loan guarantor because the amount is not big. Literally, you can own a home even if you are a hawkler and cannot present a financial statement to get a mortgage, or a fresh grad who just started your first job and earning RM3,000 per month," he elaborated.

Introduced by EdgeProp, FundMyHome allows one to buy a property featured on the FundMyHome.com platform by paying just 20% of the property price. The balance of 80% is contributed by participating institutions, who share the returns from changes in the future value of the homes.

The holding period is five years which means by the end of the fifth year, a homebuyer will have to choose whether to sell, to own the property (by taking up the remaining 80% share of the house based on the market value at that time) through a mortgage, or refinance the unit on FundMyHome.

Currently, CIMB and Maybank Group are the participating institutions while nine developers are offering about 1,000 homes priced below RM500,000 to eligible individuals through www.fundmyhome.com.

The FundMyHome platform was launched

on Nov 4, 2018 by Prime Minister Tun Dr Mahathir Mohamad.

At the forum, Tong emphasised that FundMyHome is an alternative scheme that enables homeownership among first-time homebuyers in Malaysia and not about giving the group a "free lunch" on the government's dime.

Tong stressed that it is a scheme to help responsible young Malaysians to own a home, but not by handing out a free home.

"FundMyHome is not a free lunch, it does not have government subsidy. It is spearheaded by the private sector. It is to encourage homeownership among young responsible Malaysians who want to own a home, but cannot get a mortgage yet. It is a scheme to help this group of people with the first step of owning a home," said Tong.

An often-repeated question was about what happens after the first five years of the scheme. Tong said homeowners can choose to sell, buy or refinance the home, sharing the returns from any change in the value of the home with investors.

"Six months before the five years come to the end, a valuation will be done by professional valuers who are approved by FundMyHome and they are likely from major banks in Malaysia.

"When the price is determined, the owner will be asked to make a decision to sell

or own the house. If they choose to sell, the house will be sold and the distribution of the money will be as per agreed. If you decide to stay in the same house, there are two choices — to take the house by normal mortgage or the second option, try to stay on for another five years by searching for another crowd of investors via the platform," he elaborated.

He also answered concerns about buyers' rights to the property under FundMyHome. Tong explained that buying a house on the FundMyHome platform is just like buying a house by getting a mortgage.

"The S&P (sale and purchase agreement) is signed when you've paid up your 20% payment, not only after five years. You own the home. It is just like forking out a 20% down payment, and getting an 80% mortgage from the bank.

"You are just like any other homeowner who gets a mortgage, you have the right to renovate your property and you have to take care of your property to upkeep the property's value," he shared.

Tong also explained that the buyers' losses will be capped at the 20% downpayment even if the property market crashes after five years.

"Yes, you have a risk of losing the 20% but if the worst happened, you still get to stay free for five years," Tong noted.

[Check out FundMyHome.com for more details.](http://www.fundmyhome.com)





FundMyHOME

Look out for a video on the event at www.EdgeProp.my

The public forum attracted more than 550 people.