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Rehda lauds moves to spur home ownership

► Bank Negara Malaysia launches RM1b affordable housing fund, Rumahku Portal

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KUALA LUMPUR: Bank Negara Malaysia's (BNM) Fund for Affordable Homes, which was launched yesterday, will help boost first-time home ownership, said the Real Estate and Housing Developers' Association (Rehda).

Rehda president Datuk Soam Heng Choon said the RM1 billion fund, aimed at first-time home buyers among the lower income group, will definitely help due to the low interest rate, which has been capped at 3.5% per annum.

"This new fund definitely will be useful in helping first-time home buyers and

especially for properties below RM150,000. Of course the question being raised is: are there properties below RM150,000? Definitely there are, even in Selangor there is Rumah Selangorku, where there is a category below RM150,000. Rumah Mampu Milik Johor also has (homes priced RM150,000 and below)," he told reporters on the sidelines of the launch.

"Kedah, Perlis, Pahang, Kelantan and Terengganu; these are the states that have different categories of affordable housing. Even in Penang as well. Whether they qualify or not for the loan, will depend on their ability to repay. That's why AKPK has been roped in to ensure financial literacy,"

he said, referring to the Credit Counselling and Debt Management Agency.

Soam said the new fund, combined with the upcoming Home Ownership Campaign (HOC) in March, will spur buying for first-time buyers and clear some of the overhang. He said additional incentives in conjunction with the HOC will be announced tomorrow but declined to elaborate.

Finance Minister Lim Guan Eng, who officiated at the launch, said the fund had attracted 16 applications even before the launch, of which five have been approved and 11 are being processed.

"If the take-up is good, it can be extended to three years," he told reporters at a press conference.

The fund is available for two years starting Jan 2, 2019 or until the RM1 billion is fully utilised. The participating financial institutions are AmBank, Bank Simpanan Nasional, CIMB Bank, Maybank and RHB Bank.

It is available to Malaysian citizens with a maximum monthly household income of RM2,300. Borrowers must be salaried workers or self-employed and must not have any record of impaired financing for the past 12 months.

Eligible borrowers can only buy residential properties (landed, flats or apartments) from the primary market that are priced RM150,000 and below, and these homes cannot be sold within the first five years from the date of the last disbursement or else a penalty of 20% on the outstanding financing will be imposed.

The maximum financing rate is at 3.5% per annum with a financing tenure of up to 40 years or 70 years of the applicant's age, whichever is shorter. Financing under the fund can be given to single or joint borrowers.

Housing and Local Government Minister Zuraida Kamaruddin, who was present at the launch, said the fund is a short-term measure and hopes to work with BNM on longer-term measures such as a five-year plan for the Rent-to-Own scheme.



Zuraida (second from left), Lim (centre) and Bank Negara Malaysia governor Datuk Nor Shamsiah Mohd Yunus (second from right) at the launch of the Bank Negara Malaysia Fund for Affordable Homes and the Rumahku Portal. Flanking them are Deputy Finance Minister Amiruddin Hamzah (left) and AKPK chairman Anuar Mohd Hassan. - ZULKIFLI ERSAL/THESUN