

Headline	RM1B FUND LAUNCHED		
MediaTitle	New Straits Times		
Date	30 Jan 2019	Color	Full Color
Section	Business Times	Circulation	36,278
Page No	17,18	Readership	108,834
Language	English	ArticleSize	571 cm ²
Journalist	ZARINA ZAKARIAH	AdValue	RM 19,683
Frequency	Daily	PR Value	RM 59,049



Bank Negara launches RM1b home ownership fund for B40 group

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AFFORDABLE HOUSES

RM1B FUND LAUNCHED

Bank Negara's new scheme aims to help low-income Malaysians own home

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BANK Negara Malaysia has launched a RM1 billion fund to help households earning RM2,300 and below purchase affordable homes.

Finance Minister Lim Guan Eng said the "Fund for Affordable Homes" scheme would be for the purchase of houses costing below RM150,000 each.

"We will work with Bank Negara to work on enabling the B40 (Bottom 40) group to afford homes," said Lim at Sasana Kijang, here, yesterday.

"The fund will benefit first-time buyers who, otherwise, would not be able to afford a home due to the financial constraints and loan eligibility.

"AmBank, Bank Simpanan Nasional, CIMB Bank, Maybank and RHB Bank will be providing the financing with the rate capped at 3.5 per cent per annum," he added.

Bank Negara governor Datuk Nor Shamsiah Mohd Yunus said with the new incentive, house owners' monthly instalments would be lower by 23 per cent.

"The fund is being offered for two years, starting from January 2. It should be viewed as a temporary measure and offered for a



Finance Minister Lim Guan Eng (centre) with Housing and Local Government Minister Zuraida Kamaruddin (right) and Deputy Finance Minister Datuk Amiruddin Hamzah at the launch of RM1 billion 'Fund for Affordable Homes' scheme at Sasana Kijang, Kuala Lumpur yesterday. PIC BY MOHAMAD SHAHRIL BADRI SAALI

limited time only."

She said to ensure that home financing remained robust, financing rates must reflect the real risks faced by financial institutions, taking into account the fund and administration costs as well as liquidity and credit risks.

Under the fund, the overall borrowing costs are further reduced through down payment support, affordable mortgage protection rates, waiver of financing appli-

cation processing fee and stamp duty exemption.

Prospective buyers can access the "Rumahku" portal at the Credit Counselling and Debt Management Agency website to apply for the financing.

To date, 16 applications have been received, with five already approved.

Shamsiah reminded prospective buyers to have sufficient savings while ensuring their payment capability remains intact

throughout the loan tenure.

The fund is open for landed properties, flats and apartments priced at RM150,000 and below for a tenure of 40 years, or a maximum age of 70 years, whichever is shorter.

Borrowers will not be allowed to sell their houses within the first five years from the date of the last disbursement or a penalty of two per cent on the outstanding financing would be imposed by the financial institutions.