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## Loans still hard to get despite government stimulus packages

■ BY **KONG SEE HOH**  
*newsdesk@thesundaily.com*

**BANKS** have tightened lending, dashing the hopes of many looking to take advantage of the latest government incentives to stimulate the housing and automobile industries.

Malaysian Institute of Estate Agents president Eric Lim Boon Ping pointed out that the government has recently taken a number of measures to stimulate the real estate industry, including the reintroduction of the home ownership campaign, and exemption of stamp duty and real property gain tax.

Acting in concert, he told

*China Press*, housing developers have also provided incentives to attract prospective buyers.

“However, we noticed banks have tightened their lending requirements. Recently, a pilot’s loan applications with several banks were all rejected.

“It appears that there are higher requirements for loan applicants from the aviation sector, as well as tourism industries as both sectors, which are hard hit by the Covid-19 pandemic, present a higher risk (of non-performing loans).”

Lim said banks’ stricter criteria for loan approvals amid the pandemic, on top of the tighter lending policies imposed by Bank Negara Malaysia in 2012, has made it

harder for would-be house owners to obtain housing loans.

He advised would-be first-time home buyers to put their plans on hold and wait for perhaps another five years when they are more secured financially and better qualified for loans.

Meanwhile, Federation of Motor and Credit Companies Association of Malaysia president Datuk Tony Khor said prospective car buyers are also facing more stringent requirements in loan applications, “especially those who are in the higher-risk sectors, such as oil and gas, hospitality and tourism as well as Malaysians working in Singapore”.

Only about 25% of their car loan applications are approved.