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Homeownership helps young people with financial management

The Malaysian Reserve, Malaysia



REHDA

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by AFIQ AZIZ

OWNING a home encourages young people to be more prudent with their money, Housing and Local Government Minister Zuraida Kamaruddin said.

This, she added, will also make defaulters of the National Higher Education Fund Corp (PPTN) who are in the country's credit reference system (CCRIS), be more responsible with their loan repayments.

"Owning a house is more attractive than paying RM50 monthly for a PPTN loan.

"If they want to live in their houses for a long time, they must manage their finances well and pay the house loans," she told the press after launching the "Hi Homes" portal in Kuala Lumpur yesterday, adding that with financial discipline, one can successfully manage both student and house loans.

When the government announced that it was working on a scheme to allow blacklisted PPTN borrowers secure loans to buy their first homes, there were mixed reactions.

Some opined that they should settle their debts before committing to big-ticket items.

Institute for Democracy and Economic Affairs senior fellow Dr Carmelo Ferlito told *The Malaysian Reserve* that this is a dangerous venture as household debt could lead to financial instability.



(From left) Zuraida, Radzi and Syed Saddiq at the HI HOME Property Conference in Kuala Lumpur yesterday

Pic by Afiq Kartono

"The government's message should be that home ownership will come over time with hard work and a lot of savings, not by easy credit," he said.

PPTN borrowers who did not make repayments following the 12-month expiration of their loans will be listed in CCRIS. To avoid this, they must make

payments on a regular basis.

A new flexible repayment schedule is now being worked on after the shelving of last year's proposed scheme due to public outcry.

Once the new repayment scheme is finalised, the Housing and Local Government Ministry (KPKT) will

work out a mechanism to remove affected PPTN borrowers from the CCRIS list. This will allow them to apply for the housing loans.

On a related matter, Zuraida said KPKT and the Youth and Sports Ministry (KBS) are expected to jointly form a Youth Housing Policy this year.

She said it will be a sub-policy from the newly launched National Housing Policy by Pakatan Harapan, aiming to build 100,000 houses a year over the next decade.

KBS Minister Syed Saddiq Syed Abdul Rahman said the policy is very timely, as housing is among the top three major issues hampering young people.

He added that the policy will address the availability of affordable homes for the youth, access to credit, as well as rent-to-own schemes.

The proposal is expected to be presented to the prime minister in October.

Currently, KPKT has allotted 30% of the total affordable home development in Bandar Malaysia for young people who are single or married with no children.

In the meantime, Hartabumi dotCom Sdn Bhd CEO Radzi Tajuddin said the Hi Home portal is expected to showcase some 90 housing projects with 11,500 units valued at RM4.2 billion.

The company has targeted to clear more than RM500 million worth of inventory in the three-month online property expo.

"Half of the projects are priced below RM300,000, making it the largest inventory of affordable housing in Malaysia, which is also in line with the government's effort to provide more affordable homes for the people," he said.

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SUMMARIES

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