

## **Address home affordability, mortgage access: Cagamas**

The affordability of private houses in Malaysia has been significantly affected by the widening gap between household income and real estate prices, according to Cagamas Holdings CEO Chung Chee Leong.

As such, affordability and access to housing loans are still key issues that should be tackled by the government in order to promote homeownership among all Malaysians, especially for low and middle-income groups.



Nevertheless, the government has introduced many programs to help these families purchase their own homes. These include the creation of Perumahan Rakyat 1Malaysia Bhd, Syarikat Perumahan Negara Bhd and Skim Rumah Pertamaku, a Cagamas-facilitated scheme that allows young professionals to buy their first house.

“Our initial role, which was to promote home ownership and home affordability as well as develop the bond market, has not changed and remains relevant today,” said Chung, who is also the president of the national mortgage provider, Cagamas Holdings.

Meanwhile, he believes that the government’s new property cooling measures, such as the higher RPGT and the ban on developer interest-bearing scheme for new purchases, are enough to deter excessive speculation in Malaysia’s real state market.

Founded in 1986 by Bank Negara Malaysia, the goal of Cagamas is to promote home ownership and develop the country’s secondary mortgage market. Apart from being a leading issuer of fixed-income securities, it is also a buyer of mortgages held by other lenders.

*Image Source: Getan.com.my*