

Cagamas and Korea's KHFC to promote homeownership

KUALA LUMPUR: Malaysia's Cagamas Berhad (Cagamas) and Korea Housing Finance Corporation (KHFC) sealed a Memorandum of Understanding (MoU) to jointly explore housing financing methods to promote homeownership in their respective countries.

The MoU was inked by Cagamas President/ Chief Executive Officer, Datuk Chung Chee Leong and his Korean counterpart, KHFC Chairman/ CEO, Mr Lee Junghwan. Malaysia's Minister of Housing and Local Government, Zuraida Kamaruddin witnessed the signing ceremony.

"The MOU marks an important milestone in the collaboration between Cagamas and KHFC. Cagamas welcomes this initiative which aims to enhance the strategic cooperation between Malaysia and Korea, including amongst others, research and knowledge sharing related to housing finance.

This initiative is in line with both institutions' mandate to develop the secondary mortgage finance market," said Chung.

The MoU enables the wealth of domestic experience in housing finance, mortgage and financial instruments to be mutually exchanged between Malaysia and Korea. This is expected to enhance the stability of housing and mortgage markets, mortgage backed securities (MBS) as well as other funding instruments to leverage private capital to the housing market. A central feature includes identifying and attracting private and public capital investment.

Cagamas is the second largest issuer of



(Seated L-R) Cagamas Senior Vice President, Azizi Ali; Cagamas President/ Chief Executive Officer, Datuk Chung Chee Leong; Chairman and CEO, Korean Housing Finance Corporation (KHFC), Junghwan Lee; KHFC Head of Research Support Part, Junghoon Suh. (Standing L-R) Cagamas Chairman, Dato' Bakarudin Ishak; Bank Negara Malaysia Deputy Governor, Abdul Rasheed Ghaffour; Minister of Housing and Local Government Malaysia, YB Zuraida Kamaruddin; Cagamas Holdings, Nik Hasyudeen Yusoff; and the World Bank Director, Zoubida Allaua.

debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM319.1 billion (US\$96 billion) worth of corporate bonds and sukuk

KHFC CEO, Lee said: "By signing the MOU, both institutions pledged to promote bilateral cooperation in a wide range of areas including exchange of know-how on housing finance policies, holding joint conferences, sharing expertise on housing finance and secondary mortgage market, in addition to exploring joint business opportunities."

Established in 2004, KHFC has accumu-

lately issued MBS and covered bond amounting to US\$252 billion (KRW 252 trillion, as of 2018) which have contributed to the stability of long-term fixed-rate loan finance and the revitalization of long-term bond market.

KHFC is a State-Run Enterprise that facilitates the long-term, stable supply of housing funds, thereby promoting national welfare and developing the national economy by supporting the Korean Government's housing welfare policy.

The MoU was inked at the sidelines of the Cagamas and World Bank Group's "Constructing & Financing Affordable Housing across Asia" conference, 2nd to 3rd April 2019 in Kuala Lumpur.