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KUALA LUMPUR: The National Mortgage Corporation of Malaysia (Cagamas Bhd) is currently working on a shared equity home ownership programme, with the revelation of a blueprint anticipated by end of the year.

Housing and Local Government Minister Zuraida Kamaruddin told a press conference yesterday that Cagamas intends to propose the scheme, which could see the mortgage agency guaranteeing up to 100% of the housing price, to the ministry. "It is a very interesting scheme where they (Cagamas) will be able to provide the 20% deposit from the buyers' side, where the 80% normally comes from the bank," Zuraida explained.

When queried on how long the scheme would take to develop, Cagamas president cum chief executive officer Datuk Chung Chee Leong said there are issues that Cagamas needs to iron out. "There are issues that we need to address... because we need to be able to generate a product that can provide returns to investors," he said, adding that he hoped a blueprint can be produced by year end.

Zuraida and Chung were speaking on the sidelines of the "Constructing and Financing Affordable Housing across Asia" Conference jointly organised by Cagamas and the World Bank Group here yesterday.

During a panel session, Chung



Zuraida speaking at the Constructing and Financing Affordable Housing across Asia Conference in Kuala Lumpur yesterday. Photos by Mohd Izwan Mohd Nazam

noted that green bonds are the way forward to attract new types of investments or investors, but clear definition must be provided, especially in the standardisation of classifications on whether the loan was "green" or otherwise. "The first building block is to define what green housing loan is," he said, adding that the definition for green loans would spell out areas such as whether the building should show improvements in either water or energy consumption.

For example, Chung said, if a secondary mortgage corporation were to be set up, it could benefit from

the support of the central bank and government. "But I guess the other point really is the prudent risk management standards that Cagamas itself applied so it can be perceived by the market, rating agencies and other investors as a safe model they can invest in," he said.

On the subject of preferential treatment to social bonds and socially responsible investments (SRIs), the World Bank senior adviser (finance, competitiveness and innovations) Loic Chiquier said that was part of the factors that support new players in housing sectors who have yet to

access capital markets for funding.

As for government intervention in the affordable housing sector and in setting up structures, such as real estate investment trusts, RAM Ratings Malaysia structured finance ratings head Siew Suet Ming said intervention could be helpful in the initial stage, likened to paying "tuition fees" at the start of a college education. "First it gives [investors] a level of confidence, then [later] be able to build a sustainable pipeline," she said, adding that intervention would add certainty in the housing market.