

# Cagamas expects to grow SRP loans to RM12.6b on new digital scheme

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by FARA AISYAH

CAGAMAS SRP Bhd expects its cumulative My First Home Scheme (SRP) loans to rise by over 50% to RM12.6 billion by 2021, driven by the newly launched Digital Skim Rumah Pertamaku (Digital SRP).

The Cagamas Holdings Bhd subsidiary and sister company of Cagamas Bhd (National Mortgage Corp) has partnered technology property portals Didian and MHub for the online financing scheme, with 25 participating banks nationwide.

"With these partnerships, Cagamas SRP expects to see a cumulative increase of approved SRP loans by 14,400 this year from a base of 26,213 in 2019, with total financing of RM9 billion," Cagamas SRP chairman Datuk Bakarudin Ishak said at the launch in Kuala Lumpur yesterday.

The introduction of Digital SRP follows the government's encouragement to leverage on e-delivery channels in the push for the IR4.0



(From left) Housing and Local Government Minister Zuraida Kamaruddin, Bakarudin and Ministry of Finance under secretary (strategic investment division) Datuk Shahrol Anuar Sarman during the launch of the Digital SRP in Kuala Lumpur yesterday

and digitalisation.

First announced in Budget 2011, the SRP aims to assist young adults who have just joined the workforce to own their first home.

The scheme allows young adults to obtain 100% financing from financial institutions, thus enabling homeownership without paying a

10% down payment.

From 2011 until June 2020, the scheme assisted close to 33,000 Malaysians in owning their first home with a total financing amount of RM6.8 billion, of which 90% were from the B40 (bottom 40% income) group.

About 71% of approved loan applications were from Selangor,

Johor, Kuala Lumpur, Perak and Melaka, while the average loan size was at RM206,450.

Of the figure, 5,400 or 16% of applications were conventional loans while 27,600 or 84% were Islamic financing.

Meanwhile, as at June 2020, 7,781 Malaysians received assistance

under Bank Simpanan Nasional's Skim Perumahan Belia (SPB) in obtaining their mortgages which amounted to total financing of RM1.7 billion.

About 71% of the figure was for the B40 group. Selangor, Melaka, Johor, Kedah and Negri Sembilan had the highest SPB approved loan applications.

The average loan size stood at RM215,000, of which 2,400 applications or 31% were conventional loans and 5,400 or 69% were Islamic financing.

Cagamas Holdings, through its wholly owned subsidiary Cagamas, recently said it will diversify its funding sources and investor base to attract a wider range of foreign institutional investors.

As one of the largest issuers of corporate bonds and sukuk in Malaysia, the group concluded 2019 with issuances worth RM10.2 billion, marking its third consecutive year of surpassing RM10 billion.

For the year, the group's profit and revenue comprising contributions from Cagamas, Cagamas MBS Bhd and Cagamas SRP stood at RM410.9 million and RM2.3 billion respectively, compared to RM416.5 million and RM2.35 billion in 2018.