

Talks **ongoing** on RTO financing scheme

➤ Housing Ministry hopes to secure potential foreign investors by year-end

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KUALA LUMPUR: The Housing and Local Government Ministry is in talks with foreign investors to finance its rent-to-own (RTO) scheme under the new National Affordable Housing Policy.

Minister Zuraida Kamaruddin said the ministry is in discussions with potential investors from China, Korea and the Middle East, and hopes to secure some financiers by year-end.

“There are some agencies from other countries who are quite interested to assist us in this, so I’m talking to them and I was thinking that probably Cagamas Bhd can become the conduit to investors where they can park the money in Cagamas, and Cagamas can do the administration and distribution of the money,” she told reporters after attending the “Constructing and Financing Affordable Housing across Asia” conference yesterday.

RTO projects under the new National Affordable Housing Policy (NAHP) begins this year thus the first housing project will be ready in 3-3.5 years, which is when the financing programme has to be in place.

The ministry hopes to identify three to four agencies from China and sign memorandums of understanding (MoUs) with them during the Prime Minister’s visit to Beijing to attend the One Belt One Road forum at the end of April.

Zuraida said the ministry is also studying the possibility of applying the same financing programme to homes under the



Zuraida speaking to reporters at the conference yesterday. – **AMIRUL SYAFIQ/THE SUN**

existing RTO scheme.

In her keynote address, Zuraida urged banks to be “creative” in approving loans, by taking into consideration the projected incomes of loan applicants and various sources of income including rental income, family income as well as petty traders who do not have a record of their income but are good paymasters.

“This should also be considered as a way of assessing their financial capability to be able to serve the loan. We really hope that Bank Negara Malaysia (BNM) or the banks can do more in-depth study of this application ... we have to incorporate the social aspect of it,” she said.

Meanwhile, Cagamas president and CEO Datuk Chung Chee Leong said it has several new schemes in its pipeline and is in the midst of studying the concept of shared equity or equity loans used overseas, particularly in Australia.

“We hope to learn from them and try to see how we can replicate or adjust it accordingly for the requirement of

Malaysians,” he said. Cagamas aims to develop the blueprint for the new scheme this year.

For its existing scheme namely Skim Rumah Pertamaku, Chung said traction and support has grown and at least three more banks - two foreign and one local - are interested to participate. There are 23 banks involved in the scheme currently.

Cagamas also signed a MoU with Korea Housing Finance Corporation yesterday to jointly explore housing financing methods to promote home ownership in their respective countries.

Earlier at the opening of the conference, BNM deputy governor Abdul Rasheed Ghaffour said that more than 3,600 people completed the modules on the Rumahku portal launched by the Credit Counseling and Debt Management Agency recently.

He said one in five of them decided not to proceed with the purchase after completing the modules, which reinforces the need to continue pushing for financial literacy and financial education.