

National Mortgage Corporation of Malaysia

Skim Saraan Bercagar (SSB) Reverse Mortgage



A Reverse Mortgage Solution for Retiree Homeowners

# **14 December 2021:** Launching of SSB officiated by the Minister of Finance



# Cagamas

National Mortgage Corporation of Malaysia

# Media Coverage



### ETALING IAYA (Dec 14): Cagamas

hd, the national mortgage corporaon, has introduced a reverse mortgage theme to help the elderly fund their rerement by using their home as collatral for a loan. The scheme allows retirees aged 55

nd above to borrow against the value of teir fully paid homes and convert it into steady monthly cash payout throughout teir lifetime to supplement their retiretent funds, while continuing to stay in

Called Skim Saraan Bercagar (SSB), it as launched by Finance Minister Tengku Jatuk Seri Zafrul Abdul Aziz on Tuesday

Dec 14). SSB would have an initial fund of .M100 million and be available in the retireer ireater Klang Valley from mid-January. safely t Speaking at the launch, Cagamas irman Datuk Bakarudin Ishak said SB represents the corporation's con- to be a nuous' efforts to address financial gaps solutio

nuove efforte to address financial gaps the marketplace. "This comprehensive and integrated buttom focusso on retrieves who might integrated buttom focusso on retrieves who might integrated buttom focusso on retrieves who might integrated there is the market of savings and aims below them maintain their standards ffected due to a lack of savings and aims financi help them maintain their standard of signific ving," he said.

Bakarudin added: "In designing the of- and at ring, we have considered the experiences of Stat

#### Collaboration with EPF, AKPK Cagamas Cagamas has also taken a collaborativ approach with its strategic partners, the Employees Provident Fund (EDE) launches reverse the Credit Counselling and Debt Managemortgage scheme ment Agency (AKPK), in striving towards a common goal of increasing financing acto help elderly cess to the elderly. Under this collaboration, there would fund retirement be easy access to SSB through EPF's of-fices, while AKPK would provide financial

**BY JUSTIN LIM** theedgemarkets.com

and lessons learnt from Korea and Hong in helping its members secure their retire-Kong to formulate product features lo-calised to Malaysian needs. SSB will help ment income, and by extension, improve the country's social protection system.

safely, t SKIM SARAAN BERCAGAR outs th

Stamp duty on transaction documents for reverse mortgage exempted in first 2 years nation's sustainable and produc- resented the company's contin- Cagamas has also taken a col-FARAH ADILLA recognise the importance of re- country's broader efforts to pro- "This comprehensive and inte- Provident Fund (EPF) and the

PETALING JAYA tirees and their contribution to vide a robust retirement plan that grated solution focuses on re- Credit Counselling and Debt bt@nst.com.my the economy. will allow senior citizens to con- tirees who may be affected due to Management Agency (AKPK) in He said the ministry was look- tinue leading a productive life in a lack of savings and is aimed at striving towards a common goal AGAMAS Bhd has intro- ing to develop the right policies their golden years." helping them maintain their of increasing financing access to duced a market-first fi- and structural reforms to ensure He also announced the exemp- standard of living. the elderly. nancing solution for re- the independence of the ageing tion of stamp duty on transaction "In designing the offering, we There will be easy access to SSB tirees called Skim Saraan population and create a more in- documents executed by the par- have considered the experiences through EPF offices while AKPK Bercagar (SSB) that has an initial clusive society. ties involved to reduce the finan- and lessons learnt from South will provide financial education fund of RMI00 million to help the As such, the Social Protection cial burden on potential appli- Korea and Hong Kong to formu- to the applicants. elderly fund their retirement. Council has been reactivated and cants. late product features localised to The SSB, also known as reverse Finance Minister Tengku is looking at options for a com- This exemption, applicable for Malaysian needs. mortgage, is available in South Datuk Seri Zafrul Tengku Abdul prehensive and integrated social the first two years after the "The SSB will help retirees un- Korea, Hong Kong, Japan, Aus-Aziz, who launched SSB vester- security policy. scheme is launched, will help re- lock the value of their homes tralia, Canada and the United day, said the government must "We must realise that a healthy duce the cost for retirees. safely to receive guaranteed States.

tive growth.

ployees Provident Fund (EPF) and

EPF chairman Tan Sri Ahmad Badri

ovative products that complement its role

ageing population can partici- Cagamas chairman Datuk monthly payouts throughout

uous efforts to address financial laborative approach with its

strategic partners, the Employees

pate in and contribute to the Bakarudin Ishaksaid the SSB rep- their lifetime," he said.

"To that end, SSB is part of the gaps in the marketplace.

Mohd Zahir said the fund welcomed in-

education to the applicants.



#### Cagamas lancar Skim Saraan Bercaga Programme is a significant move as retirees can unlock the equity value of their property

#### Oleh KU SYAFIQ KU FOZI

PETALING JAYAr Cagamas Ber-had melancarkan Skim Saraan Bercagar (SSB) bagi membantu melancarkan alisan tunai warga emas di negara ini melalui kaeah gadai jimji berhalik dati gadai junji berbalik. Pengerusinya, Datuk Bakaru-din ishak berkata, SSI merupa-kan produk pembiayaan yang mana pemilik-pemilik rumah yang layak boleh mencagarkan kediaman mereka bagi mendakunang daripada jumlah kumu-latif pinjaman yong diambil, la akan ditanggung seperuhnya Kata belkey dalam temoch

cagaran tersebut, pennilk ni-mah mash bodo tinggal di te-di Jotel Sherator, 41 siti se-hanan tersebut esingga Jahn -akan. Kersebut di Jabel Sherator, 41 siti se-hanan tersebut di Jabel Sherator, 41 siti se-hanan tersebut di Jabel Jaher -sebut sevelut tabli Menteri Fera-ganda tersebut pisipana. "Selamaya tersebut tabli Menteri Fera-gamah tersebut di Jabel Jaker Pengensi Kempalak Warg Sim-regista Jabel Jaker Jabel Jaker Pengensi Kempalak Warg Sim-ersebut tabli Menteri Fera-gamah selam membinggam babla pengensi panga tersebut tabli Menteri Fera-gama Jahan membinggam tersebut tabli Menteri Fera-gan Jahan Jaker Jahan Jaker Jahan Jaker Jahan Jaker Jaker Jahan Jaker Ja nolong Gabenor Bank Negara Malaysia (BNM), Adren Zaylani Mohamad Zahid; Ketua Pega-wai Eksekutif KWSP, Datuk Seri

pelanggan. Kata beliau, SSB akan mula Amir Hamzah Azizanj

sebagai badan penasihat kepada funtu meng

peminjam yang akan men manfaat skim ini dan mer kan ia boleh diakses oleh namai pesara," katamya

#### sasarkan untuk dibuka be bulan tustapan dengan pe kan dana awal sebanyak l BY AMIR IMRAN HUSAIN SAFRI

为穷武臣

Sementara itu, Tengi Sementara itu, Tengk frul mengumumkan peng lian duti setem untuk dok transakai akim tersebut dapat digunakan untuk d bun pertama selepas ia PETALING JAYA: Cagamas Bhd yesterday launched a reverse mortgage financing solution scheme with an allocation of RM100 million to assist the elderly finance catkan. "Pongecualian ini akar their retirement. Under the market-first scheme, retirees

aged 55 and above will be able to borrow against the value of their fully-paid home to convert it into a steady monthly payout throughout their lifetime to supplement their retirement

members.

"Following the withdrawals,

Finance Minister Tengku Datuk Seri Zafrul Tengku Aziz welcomed the scheme and stated the ministry looks to develop the right policies and structural reforms in the future to ensure the independence of the ageing population, and to create a more inclusive society. "We must realise that a healthy ageing

stream throughout their life. population can participate in, and contribute to the nation's sustainable and productive growth. To that end, the Skim Ishak remarked the scheme represents the agency's continuous efforts to address Saraan Bercagar is part of the country's financial gaps in the marketplace. broader efforts to provide a robust retirement plan that will allow senior citizens to continue leading a productive affected due to a lack of savings and aims to ife in their golden years," he said at the launch of the Cagamas reverse mortgage. help them maintain their standard of living," he said

Cagamas

北本泰(中)東接沒依保障计划期合位式:友为巴索泰丁;由

For the pilot period, he stated it has allocated RM100 million to assess the reception of Malaysians to the scheme "Should the scheme be received well by the market, Cagamas will increase the allocation according to the needs of the

On the matter of retirement, Zafrul time," he said. highlighted the government and the Employees Provident Fund (EPF) has With the scheme, any sole or joint homeowner aged 55 years and above can embarked on three withdrawal schemes apply for a reverse mortgage on their house during the Covid-19 pandemic to alleviate of residence, in which they will be given a the burden of the people, which saw a total fixed monthly payment based on the withdrawal of RM101 billion by 7.4 million projected value of their home and life

expectancy for the rest of their life. Upon demise, the borrower's next of kin discovered that 50% of members under the has the option of repaying the reverse age of 55 have less than RM10,000 in their mortgage or not. Should they choose not to accounts, while 3.6 million members have do so, Cagamas will put the property for sale less than RM1.000. As a result, nearly threeand any excess proceeds from the sale will quarters of these members may not have be given to the borrower's estate or next of kin, while if the sales proceeds could not sufficient funds to retire above the poverty cover the loan amount, the estate and next He believes the scheme is a significant of kin will not be liable for the amount

move as it broadens the financing options To execute the scheme, the EPF will lend available to retirees, who can now unlock their extensive branch network to Cagamas, the equity value of their property and acting as a point of contact for enquiries convert it into a fixed monthly income and submission for the public, while the Credit Counselling and Debt Managemen Cagamas chairman Datuk Bakarudin Agency will serve as an independent adviser to the applicants.

The reverse mortgage solution will be made available to qualified homeowners in "This comprehensive and integrated solution focuses on retirees who might be the greater Klang Valley in mid-Januar followed by the rest of the country. The agency stated the interest rate charges which will be revealed, when it is made available to the public.

参与退休保障不限EPF会员 房产抵押后可续居住

(八打世再也14日记)大马 後; 医初公积金局设有很多 再抵押机构 (Caganas) 总 分行, 民众届时可前往指定 执行长曾志良指出,参与退 分行咨询,AKPK 则会向有 休保藏计划的退休人士,并 意情登者讲解,他们需否参 主只则于雇员公积全目的会 与这项计划: A,该机构也结弃退休保障 租金日在记录会上推 计划手间每1日由正式宏行 电,通过上述计划,源体入 前,公布此计划的固定利 土或配偶可继续固住在抵押 創世・与此 年通过这计

余的房贷。 148 田井. 支付本身的 无法负担 电比计站过 计划中只是扮演协能的角 请一次性的提款。

### 若低于贷款额

询及曾款人每月可發取	Caganas 出售有关拐户。	
多少款项,曾志良指若退休	*届时价值若低于贷款	
人士是在 70 岁时提出借贷	额。借款人的受益人无需支	
申请,则每月可领取的款	付有关差价,反之,若房产	
项,肯定会高于55岁就申	的价值高于贷款粮。多出来	
请这计划的退休者。	的款项周交给受救人。"	
房价高过贷款退回差价	曾志良招退休保障计划	
厉听商追员新返回左听	或所谓的逆按揭计划,早前	
他提及。所有借款人遗	已在韩国、日本及香港等国	
世后,借款人的受益人可选	<b>家及地区推行,并逐渐获得</b>	
择赎日房产,或是交由	民众的广泛接受。	

#### 抵押房价顶限300万

曾志良昨日在线上常报 直在300万令吉 会说·Cagamas 推动的退休 他说,Caganas 将在自 保障计划旨在协助退休人士 阿提供一个在线计算器·有 享有安定的退休生活。而非 意中请这计划的退休人士。 为了车利,因此该机构也把 届时可自行计算每个月可源 可抵押的房产价格顶限,设 取多少款项。



### pration of Malaysia

牢 =	的房产直至他们曾
他谈,由于涉及市场设动	同时,他们可选择
等因素。该机构目前暂无法公	刘提款,还清朝余
布利率: "无论如何,这利率	或是提款翻新及维
将是具有竞争力的利率。* * * * * * * * 他们世	
*公积金局及信贷咨询与	医疗费,在子女
债务管理机构 (AKPK) 在这	下,他们也可通过

受益人无需支付差价

### What is Skim Saraan Bercagar (Reverse Mortgage)



- Skim Saraan Bercagar or Reverse Mortgage ("RM") is a type of loan that is targeted for the elderlies or retirees that owns a home, and allows them to convert their one big asset – their residential property – into a fixed monthly income stream throughout their lifetime, without sacrificing its ownership whilst continuing to stay in their home
- No repayment is required during their lifetime, where settlement of the loan only occurs upon the demise of the homeowner or surviving spouse, whichever is later, by selling off the residential property to settle any outstanding loan amount. Residual if any, will go towards the deceased's estate.
- RM is popular in the United States, United Kingdom, South Korea, Japan, Hong Kong and newly introduced in The Philippines (mainly by Cagamas counterparts in Asia).

## Cagamas Skim Saraan Bercagar - Product Features

Features	Description
Facility Tenure	Lifetime tenure – fixed monthly pay-out to Borrower
Monthly Payout	<ul> <li>Fixed amount to be disbursed to the Borrowers throughout their lifetime</li> </ul>
Repayment from Borrower	No repayment during lifetime. Repayment only due when the last surviving Borrower passes away
RM Loan Cost	• 5% p.a fixed rate throughout the RM loan tenure and one-time recourse-waiver fee of 1.75% of property value
Maximum Property Value for Pay-out Calculation	<ul> <li>RM3.0 million for landed properties</li> <li>RM1.5 million for high-rise properties</li> </ul>
Option for Lump Sum Pay-out	<ul> <li>A one-time lump sum payout is available and the maximum amount would be assessed upon application.</li> <li>Withdrawal of the lump sum is limited to the following usage (1) payment for medical expenses, (2) to settle any outstanding mortgage loan on the property to be charged under the RM Loan and (3) refurbishment and maintenance expenses to upkeep the property</li> </ul>
Initial Expenses	<ul> <li>Borrower to absorb the initial expenses such as property valuation, legal fee, and/or fire insurance coverage of the charged property.</li> <li>Such initial expenses can be financed in the RM Loan</li> </ul>
Non-recourse Guarantee	<ul> <li>Borrower (or estate) is not responsible for any Shortfall Amount</li> <li>Any Shortfall Amount will be borne by the Cagamas</li> </ul>
Borrower Reside in Home	<ul> <li>Borrower(s) are able to age-in-place</li> <li>Flexible arrangement to move out from their home with consent from Cagamas under specific circumstances (e.g. due to medical/health conditions or moving into retirement village). Flexibility to rent out their home thereafter.</li> </ul>

# Cagamas 🚺 Skim Saraan Bercagar - Eligibility Criteria



### **Eligible Criteria for Borrower**

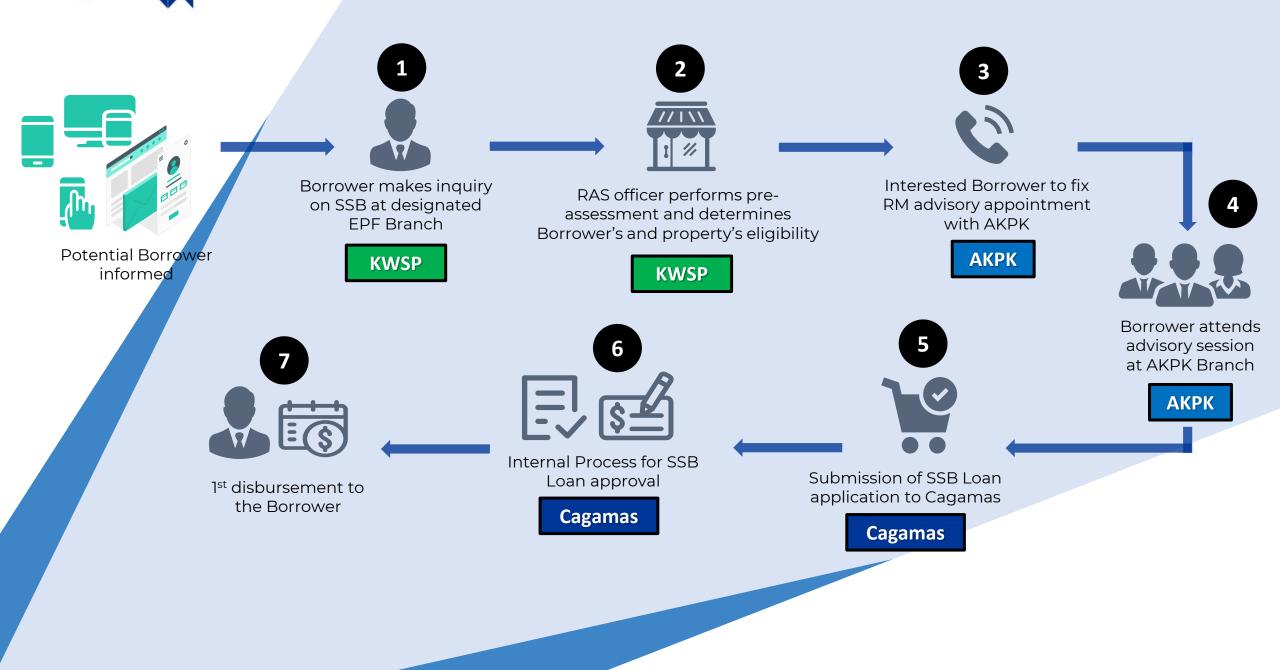
- Malaysian age 55 years and above, applicable for single and joint RM Loan
- Owner or joint-owners of a residential property



### **Eligible Criteria for Property**

- Residential property in Malaysia held in Borrower's name (joint ownership for joint RM Loan)
- Borrower occupied and primary place of residence
- Unencumbered and mortgage-free

### Cagamas Process Flow and Customer Journey Experience





Start your Skim Saraan Bercagar application today!

# THANK YOU QUESTIONS?



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