

ENCOURAGING GROWTH FOR THE SKIM RUMAH PERTAMAKU AND SKIM PERUMAHAN BELIA

Kuala Lumpur, 10 March 2016 – Cagamas Berhad (“Cagamas” or “the Company”), the National Mortgage Corporation of Malaysia, reported encouraging growth of the Skim Rumah Pertamaku (SRP) – My First Home Scheme and the Skim Perumahan Belia - Youth Housing Scheme (SPB). Cagamas SRP Berhad (CSRP), a related company of Cagamas Berhad, provides the mortgage guarantee facility under the schemes.

Launched in 2011, the SRP scheme for first time homebuyers allows eligible individuals, aged 40 years and below to obtain 100% financing from the participating banks. As at 31 January 2016, a total of 5,635 applications have been received for the SRP scheme with total financing approved amounting to RM431.5 million. Working together with the 22 participating banks, CSRP will guarantee 10% (from 90% to 100%) of the financing under the scheme.

The SPB, launched in October 2015, is a smart partnership between Bank Simpanan Nasional, the Employees Provident Fund and Cagamas. Eligible married youths with a combined household income of not more than RM10,000 may apply to own their first home. Following the scheme official launch, a total of 1732 applications have been received by BSN of which financings amounting to RM215.5 million have been approved to date. The SPB is offering financing for up to 20,000 eligible borrowers, on a first come, first serve basis for a period of 2 years.

Financing applications will be processed and approved based on the respective schemes’ criteria and respective banks’ credit underwriting standards.

“The Government is constantly working on new initiatives to ensure accessibility to financing and promoting affordable housing to meet the needs of the Rakyat. Cagamas’ mandate is to promote the broader spread of home ownership and since 1987, has supported housing finance and home ownership via its secondary mortgage activities and as a mortgage guarantee provider,” said President/Chief Executive Officer, Mr Chung Chee Leong.



“With increased public awareness of the SRP and SPB schemes initiated by the Government, it is hoped that young adults will be able to realise their dreams of home ownership. Cagamas will continue in its efforts to capitalise on our strength in providing innovative solutions to promote home ownership”, added Mr. Chung.

About Cagamas

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of house ownership and growth of the secondary mortgage market in Malaysia. It issues debt securities to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA debt securities in the market. Since incorporation in 1986, Cagamas has cumulatively issued RM282.3 billion of conventional bonds and Sukuk.

Cagamas' debt securities continue to be assigned the highest ratings of AAA and P1 by RAM Rating Services Berhad and AAA/AAA_{ID} and MARC-1/MARC-1_{ID} by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

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