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NEW METHODS FOR HOUSING FINANCING

INITIATIVE TO BOOST HOME OWNERSHIP

Financing scheme i-Biaya to help B40, M40 secure loans for affordable housing

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THE government is reviewing the existing housing financing model to better suit the needs of Malaysians in improving home ownership in the country, especially those in the B40 and M40 income groups.

Housing and Local Government Ministry deputy secretary-general (housing and community wellbeing) Datuk Azhar Ahmad said many people, especially

youths, had failed to secure housing loans and own homes despite having a steady income.

He said this was due to the strict lending rules on housing loans that required, among others, supporting documents such as payslip and were unyielding when it comes to applicants' weak credit performance.

He said to address this, the government would be launching the residential property financing initiative known as i-Biaya under the Malaysian Family Homeownership Programme (HOPE), as one of the mediums to achieve the target of 500,000 affordable housing units set under the 12th Malaysia Plan (12MP).

"Although we hope to provide sufficient affordable houses, it is

equally important to assist applicants in securing housing loans. There were many instances where potential buyers could not own a house despite having a steady income and are capable of servicing the loans.

This is because they work in the gig economy sector and are (self-employed like) petty traders with no payslip.

"In this regard, the National Affordable Housing Council (MP-MMN), chaired by the Prime Minister (Datuk Seri Ismail Sabri Yaakob) is looking into the existing house financing model and is seeking new methods (to determine loan applicants' eligibility) like using digital footprint," he said in a media briefing yesterday.

He said HOPE comprised four

components, namely housing providers involving federal and state governments and private developers; financing scheme initiative i-Biaya; public awareness; and policies.

He said MPMMN, along with a panel of experts, were in discussions to seek solutions to address related issues including the house financing model.

The schemes available under i-Biaya include the existing My First Home Scheme under Cagamas SRP Bhd and Syarikat Jaminnan Kredit Perumahan, as well as the new Rent-to Own (RTO) scheme under PR1MA Corporation Malaysia, Azhar said.

He said 20 strategic partners, including Malaysia Digital Economy Corporation, banks and non-governmental organisations, were roped in to provide consultation, financing and participate in awareness campaigns.

"Although we have had home

ownership campaigns, many people are unaware of such facilities for affordable homes. We hope to increase home ownership among Malaysians in the B40 (bottom 40 per cent) and M40 (middle 40 per cent) income groups through this initiative.

Meanwhile, PR1MA strategic planning head Ahmad Najib Man Abisuffian said some 1,000 residential units under PR1MA would be made available under the RTO scheme.

Under the scheme, he said, the occupants could opt to buy the units they live in after five years, with monthly rental rates that would differ depending on the house prices, which go up to RM300,000.

Housing and Local Government Minister Datuk Seri Reezal Merican Naina Merican and Finance Minister Senator Tengku Datuk Seri Zafrul Tengku Abdul Aziz are expected to launch i-Biaya tomorrow.



Datuk Azhar Ahmad