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LOAN-HOUSING

NO INDICATION OF BANKS NOT GIVING OUT HOUSING LOANS SAYS BANKER

KUALA LUMPUR, Dec 10 (Bernama) -- There has been no indication that banks are not giving out housing loans, a prominent banker said here today.

Even when there was a credit crunch previously, housing loans were continued to be given out as they are considered the safest loans by banks, said Tan Sri Azman Hashim, the chairman of the Arab-Malaysian banking group.

He said housing loans were considered safe as house buyers were usually consistent in their repayments.

"For a Malaysian, the last thing to give up is the house. They may probably give up their cars and other things. It (housing) is a very fundamental thing," he told a press conference here in conjunction with the "Home Ownership Campaign".

Cases of bad loans for housing are the lowest and so far there has not been any definite indication that banks are not giving out loans to finance house purchases, he added.

He, however, admitted that generally during a recession when credit crunch occurs, housing loans are affected due to lack of liquidity available.

He stressed that during the credit crunch, housing loans however still remained viable and the "safest" loans to give out for banks.

Azman said he believed that after the one-month home ownership campaign, banks would be competing with each other to attract house buyers for financing.

The home ownership campaign, initiated by the government, will be launched by Prime Minister Datuk Seri Dr Mahathir Mohamad this Saturday. The programme will run until January 12, next year.

Meanwhile, Maybank's general manager of consumer banking division Ashraf Ali Abdul Kadir agreed with Azman saying that banks had continued to finance properties below RM200,000 during the recent downturn in the economy.

On the house ownership campaign, Azman also urged the public to grab the one-month opportunity to own homes as "It is the best time buyers can buy houses cheaply."

He also said cost of construction had come down due to the downturn period which resulted in an oversupply of bulding materials.

To a question on how fast buyers could seek approval during the one-month campaign, Azman replied: "Very fast."

"Probably the banks will be at their tables and ready for the buyers to sign up," Azman said. -- BERNAMA

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