

EPF funds used as BN pocket money, says Nurul Izzah
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PKR has bashed a move to use RM1.5 billion from the Employee's Provident Fund (EPF) to help finance those unable to obtain bank loans to buy low-cost public housing units.

"Even banks are not prepared to give the loans. What is the EPF's investment panel doing?"

NONE "Why is EPF money being used as BN's pocket money?" asked party vice-president Nurul Izzah Anwar (right) at a press conference today.

At least four banks were brought in to help draft the financing agreement, Nurul Izzah said, and asked why EPF's funds were being used if commercial banks did not deem the scheme financially sound.

"We don't want a situation like the subprime mortgage crisis in the US, where borrowers could not service their loans, but with the EPF instead of banks (in trouble)," she said, adding that EPF funds were also used to finance the light rail transit (LRT) project.

"The government can't go vote-buying on a whim simply because elections are around the corner.

"You (the government) can help the Public Housing Project (PPR) community, but don't use EPF funds for that purpose," the MP for Lembah Pantai added.

low cost housing ppr 131108 02 On Monday, Federal Territories and Urban Wellbeing Minister Raja Nong Chik Raja Zainal Abidin had reportedly announced an "easy financing scheme" for 20,000 eligible PPR tenants and potential buyers who could not obtain bank loans.

DAP's publicity chief Tony Pua has also objected the move, saying that EPF's role is to ensure the financial security of the retirement funds of its contributors.

Both Pua and Nurul Izzah suggested turning to Bank Rakyat and Malaysia Building Society Bhd for the purpose instead.

Najib: Not detrimental to EPF contributors

Meanwhile, according to Bernama, the government today allayed fears that the use of RM1.5 billion from the EPF to finance the scheme is detrimental to EPF contributors.

Prime Minister Najib Abdul Razak said the amount of financing for the scheme is not big compared to the funds with EPF.

NONE "The scheme does not undermine the interests of EPF because the value of the housing units in the market is far higher than the purchase price.

"If a buyer is unable to or does not repay the loan, the unit can be sold for a higher price. We always safeguard the interests of EPF," he was quoted as saying in Marang.

The prime minister and his wife Rosmah Mansor are on a day-long visit to Terengganu.

He added the special funding scheme was established to help people interested in owning homes in the federal capital, especially those who are ineligible to obtain loans from financial institutions.

"It is a people-friendly scheme, targeted primarily at those in the low-income group," he said.

Najib said the government always safeguarded the interests of EPF contributors.

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