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Rent-to-Own your home

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Scheme will help PR1MA applicants who cannot get a loan

PUTRAJAYA: A solution has been found for applicants of the PRIMA affordable housing scheme who cannot secure a bank loan. They will be able to rent their homes with the option of purchasing it later.

Perbadanan PRIMA Malaysia has introduced the Rent-to-Own (RTO) scheme, specially for successful balloted applicants of PRIMA homes whose loan applications were rejected by banks.

Applicants will be able to rent the PRIMA homes for up to 10 years, before deciding to buy them at the end of the fifth and tenth year, at a pre-determined price.

"In one of our projects in Johor, we saw how about 20% of applicants who won the ballot were unable to secure a bank loan," said PRIMA chief executive officer Datuk Abdul Mutalib Alias at a media briefing here yesterday.

"They were happy when their names were balloted, but when their loan applications were rejected, some came to us and pleaded with tears.

"We did not have this RTO scheme back then and that incident motivated us to come up with something that ensures all balloted applicants will get their PRIMA homes, one way or another."

There are two options for applicants of the RTO scheme - the Basic RTO and the Zero RTO.

Under the Basic RTO option, the applicant's monthly rent will include a savings amount that will be put into a "Buyer's Savings Account", which can be withdrawn and used as down payment for a bankloan at the time of purchase.

For those who opt for the Zero RTO, the rental will not include any savings element and if applicants choose to purchase the property, they will have to secure full-end financing from banks.

The RTO is one of three components of the PRIMA Homebuyer



Looking forward: Prime Minister Datuk Seri Najib Tun Razak witnessing the exchange of documents between Perbadanan PR1MA Malaysia and Maybank on a RM3bil bridging loan facility to partly finance the development of PR1MA projects. The signing ceremony was held after a meeting of the National Housing Council at Perdana Putra. — Bernama

Assistance Programme which was announced by PRIMA at the briefing.

The other two are the PRIMA Care insurance programme as well as end-financing packages from six participating banks.

Meanwhile, Abdul Mutalib said

153,807 PRIMA homes have been approved for construction so far.

"Until today, 41,587 units are under construction while 112,000 others are still in planning stages.

He said 26 projects, consisting of 60,000 homes, will be balloted by year's end.

PRIMA is an affordable urban housing scheme meant for young buyers with a household income between RM2,500 to RM10,000 a month.

A balloting process is conducted to determine successful applicants of the scheme.