

Loan agreements favour EPF
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By Pauline Wong

PETALING JAYA (Feb 3, 2012): The Employee's Provident Fund (EPF) yesterday assured its members that their interests are protected in the RM1.5 billion housing loan deal with the Federal Territories Foundation (FT Foundation).

EPF Public Relations general manager Nik Affendi Jaafar told *theSun* over the phone: "Terms of the loan agreements are solely in favour of the EPF."

Nik Affendi was responding to the special funding scheme for public housing loans which was announced by Prime Minister Datuk Seri Najib Abdul Razak on Saturday.

The scheme will channel RM1.5 billion from EPF to help some 20,000 eligible tenants of the National Economic Action Council's People Housing Programme (PPR) and KL City Hall public housing units.

Those who are eligible will be given a full loan of up to RM35,000 per unit, to be repaid over 15 to 25 years.

In announcing the scheme, Najib said the special scheme will overcome problems faced by these individuals in obtaining loans from banks, and in turn, help them own a house in the city.

The money will be disbursed in stages by the Syarikat Perumahan Wilayah Persekutuan, which is a special purpose vehicle set up under the FT Foundation. The first stage of loans will amount to RM400 million to RM500 million. The company is expected to start operations March 1.

Federal Territories and Urban Well-being Minister Raja Nong Chik Raja Zainal Abidin had on Monday told theSun that the buyers will be charged a small interest on the loan.

He allayed fears of EPF being on the losing end if the buyers default on their loans, saying that the loans are guaranteed against the housing unit itself.

On Wednesday, DBKL Socio-Economy Development Deputy Director-general Datuk Mohd Amin Nordin Abd Aziz said that only good tenants with a good payment record have been offered this special funding scheme.

"Those who received the offer letter to be part of this scheme do not have outstanding debts with DBKL, with good rent payment record. The letter is given only if they have paid their rent consistently, and have not defaulted," said Mohd Amin Nordin

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