

**Never Doubt House Buyers Ability Under Special Funding Scheme, Says Raja Nong Chik**  
**Bernama**  
**February 9, 2012**

KUALA LUMPUR, Feb 9 (Bernama) -- The opposition should never doubt the repayment ability of house buyers under the special scheme for the purchase of People's Housing Programme-National Economic Action Council and Kuala Lumpur City Hall (DBKL) public housing, said Federal Territories and Urban Well-being Minister Datuk Raja Nong Chik Raja Zainal Abidin.

He said this was because the ministry would ensure that eligible buyers would be those who do not have outstanding DBKL flat rentals and bad loan repayment records.

"The house buyers will be former squatters, who are now renting DBKL flats, and interested buyers, who want to own PPR (people's housing project) houses.

"The houses could not be offered to them before for the situation was not right then. Now they have the opportunity to finally own a house in the capital after renting a flat for decades," said Raja Nong Chik in an interview with Bernama.

He brushed aside the opposition's claim that the special scheme for the purchase of the houses through the Employees Provident Fund (EPF) was highly risky and undermined the interest of EPF subscribers for eligible buyers would be from the low-income group.

Raja Nong Chik said the opposition must explain why they felt that the scheme was highly risky and likened it to subprime loans which had been blamed for the economic downturn in the United States in 2006.

"In the United States then, housing loans provided were two or three times higher than the value of the property. The situation is reverse over here where the value of property here is not big as the EPF will be providing the funds in stages," he said.

The EPF and the ministry will impose strict conditions on the financing scheme to ensure that it will not be detrimental to the EPF and its contributors, he said, adding that the EPF would abide by the Standard Operating Procedure.

Yesterday, the EPF said the special scheme for the purchase of the People's Housing Programme-National Economic Action Council and DBKL public housing did not involve the EPF providing loans to individuals.

Deputy chief executive officer and investment chief Datuk Shahril Ridza Ridzuan said as such interested participants should apply directly to the Federal Territories and Urban Well-being Ministry and not to the EPF.

The scheme will commence in March and house buyers are expected to sign the sale and purchase agreement from May.

---BERNAMA

Copyright © 2012 BERNAMA

Source: <http://www.bernama.com/bernama/v6/newsindex.php?id=644629>