

Minister denies EPF scheme use due to empty Treasury
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KUALA LUMPUR, Feb 11 — Datuk Raja Nong Chik Raja Zainal Abidin has denied that using RM1.5 billion from the Employees Provident Fund (EPF) to give home loans to unqualified buyers meant that the federal government had run out of money.

However, he refused to disclose why Putrajaya was resorting to borrowing money from the workers' retirement fund.

The federal territories and urban well-being minister said the Barisan Nasional (BN)-run government had enough money, blaming instead opposition lawmakers for making "baseless" allegations.

"It is true, federal funds are indeed enough. These are baseless allegations," Raja Nong Chik who is also an Umno senator said in a text reply to The Malaysian Insider last night.

Pakatan Rakyat (PR) lawmakers have accused BN of abusing monies from the pension fund to hide its current debt levels under the guise of offering a purportedly "noble" housing loan to lower-income earners.

Civil servants have said they were not consulted with the fund utilisation plan.

Cuepacs, the umbrella body for civil service unions, said "so far we have not been told anything" about the scheme to create 20,000 new homeowners in Kuala Lumpur.

Private sector unions had also said they were not told of the plan before Raja Nong Chik announced last week the EPF's management had "come forward" to offer to fund the home loan scheme.

Raja Nong Chik however declined to comment about this as well as why the government did not just use federal funds to finance the loan scheme.

"Direct that question to the EPF," the minister told The Malaysian Insider.

The EPF clarified on Thursday it is in talks with a government agency to provide loans to city renters to buy homes but that the deal has not been inked.

It also said that the terms involve lending an initial sum of RM300 million to the federal government through a special purpose vehicle linked to the Federal Territories Foundation (SPV FT Foundation), and that the firm will act as the middleman to grant the home loans to potential home buyers.

Prime Minister Datuk Seri Najib Razak said last week the use of RM1.5 billion of EPF funds in the home loan scheme will not be detrimental to EPF contributors.

This, he said, was because the amount needed to finance the loan scheme was not big compared to EPF's funds.

Raja Nong Chik gave a guarantee earlier that the government would safeguard workers' interests, saying the deal ensured 5.5 per cent annual returns for the EPF.

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