

**Pakatan tells Raja Nong Chik to 'polish up' subprime knowledge**  
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**By Shannon Teoh**

KUALA LUMPUR, Feb 7 — Three Pakatan Rakyat (PR) leaders accepted today Raja Datuk Nong Chik Raja Zainal Abidin's debate dare over the controversial RM1.5 billion home loan plan to be financed by the Employees Provident Fund (EPF).

However, MPs Tony Pua from the DAP, Nurul Izzah Anwar from PKR and Dzulkefly Ahmad from PAS urged the minister to brush up on his knowledge of subprime credit and lending beforehand.

Pua (left), Dzulkefly (centre) and Nurul Izzah have accepted the minister's debate dare. — Picture by Choo Choy May

PR lawmakers have been spearheading a public outcry over the ruling Barisan Nasional (BN) government's plan to help some 20,000 city renters buy their homes from Kuala Lumpur City Hall (DBKL) by borrowing money from the EPF.

"What we have here today is the EPF lending money to borrowers who Raja Nong Chik himself has admitted will not qualify for loans from commercial banks.

"The fact is that the low-cost property value, which Raja Nong Chik claims to be worth double or triple the selling price, has nothing to do with the issue of 'sub-prime'," the trio said in a statement today.

Subprime refers to people who are unqualified or may have difficulty repaying their loan.

The lawmakers were responding to the federal territories and urban well-being minister who was yesterday reported to have scoffed at the PR MPs for describing subprime wrongly as the homes were said to be worth double or triple DBKL's asking price.

"Perhaps in the minister's attempt to be clever, he is asking for pie in his face," the MPs said.

Raja Nong Chik had said the loan was secure as it is guaranteed by DBKL, a government agency, and the EPF will earn 5.5 per cent interest per annum in repayments made by the 20,000 new homeowners.

The Umno senator had said he expects "not more than 10 per cent will default".

He added: "The loans are backed by City Hall which has RM1 billion in reserve. You cannot doubt City Hall."

The government was forced last week to allay fears that the housing loan scheme would result in losses for the 5.7 million active EPF contributors.

Under the scheme, applicants will receive a 100 per cent loan, with a repayment period of up to 25 years to allow loan borrowers to make "smaller" monthly repayments.

Lembah Pantai MP Nurul Izzah had drawn parallels between Raja Nong Chik's EPF home loan proposal and the cause of the US subprime situation which triggered a global financial meltdown in 2008 that continues to the present.

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