

Cuepacs says left in the dark over EPF loan scheme
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By Shannon Teoh

KUALA LUMPUR, Feb 9 — Civil servants said today they were not consulted in the plan to use RM1.5 billion from the Employees Provident Fund (EPF) to give home loans to unqualified buyers.

Cuepacs, the umbrella body for civil service unions, said "so far we have not been told anything" about the scheme to give full financing for 20,000 new owners of low-cost houses in Kuala Lumpur.

"Only after there are problems, then they will tell us. They don't consult us, then when there are problems, they will call Cuepacs," the body's president Datuk Omar Osman told reporters.

"But we will come as lions, not lambs," he warned of the controversial scheme that has been criticised by opposition lawmakers and private sector unions.

Private sector unions had also said they were not told of the plan before Federal Territories and Urban Well-Being Minister Raja Datuk Nong Chik Raja Zainal Abidin announced last week the EPF's management had "come forward" to offer to fund the home loan scheme.

The EPF clarified yesterday 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.

Omar (picture) added today that "with any loan, there is a risk" and said there must be a clear limit to the amount that can be borrowed according to the income of those taking the housing loans.

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

But Prime Minister Datuk Seri Najib Razak said on Friday 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 himself 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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