

EPF-funded loans not risky if repaid 'at source', says Rafidah
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KUALA LUMPUR, March 2 — Plans to tap RM1.5 billion from the Employees Provident Fund (EPF) for loans to unqualified homebuyers will not put the money at risk if a proper repayment plan is implemented, Tan Sri Rafidah Aziz has said.

The former Cabinet member suggested today that the government come up with a scheme that will deduct a capped amount of a buyer's income, either weekly or monthly, adding that repayment using a portion of a buyer's salary bore no risk for the EPF.

"Risk? No you must remember the people are income earners. Have a scheme which deducts a certain amount of income weekly, monthly at source.

"Where is the risk [if repayments are collected at source]? There must be a way, but of course, the amount (should) not (be) burdensome. Collection at salary level, just like Amanah Saham," the former international trade and industry minister told reporters here.

Rafidah said that the home loan scheme was a "good idea" as it allowed low-income earners access to financing to purchase their own homes.

The federal opposition has accused Barisan Nasional (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 and private sector unions have said they were not consulted over the plan to utilise EPF funds.

The minister in charge, Federal Territories and Urban Well-being Minister Datuk Raja Nong Chik Raja Zainal Abidin, has declined to comment on the scheme or why federal funds could not be used for the project.

The EPF clarified last month 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 overseen by Raja Nong Chik, and that the firm will act as the middleman to grant the home loans to potential home buyers.

Pakatan Rakyat (PR) lawmakers have also suggested that Putrajaya could help council tenants buy the homes by offsetting their monthly rental against the purchase price instead of borrowing RM1.5 billion from the pension fund.

They said that the government could charge the unqualified home buyers a nominal interest on their loan, similar to the deal it offered the National Feedlot Corporation (NFCorp) for a RM250 million soft loan to run a cattle-farm business in Gemas, Negri Sembilan.

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