

**Everyone has to adjust, says Zeti**  
**The Malaysian Insider**  
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Amid a challenging period of the economy, Bank Negara Malaysia governor Tan Sri Zeti Akhtar Aziz has advised everyone to start making adjustments.

She said, in an exclusive interview with the New Straits Times, that this could mean forgoing overseas holidays and educate children locally or in local branches of foreign universities.

"Everyone has to adjust. Individuals need to learn how to conserve and economise. If they are facing financial stress, then they need to take advantage of the facilities we have," she told the English daily.

Despite worries over the economy, Zeti said the country household debt at 87% of the gross domestic product (GDP) has stabilised, while non-performing loans is only at 1.5%.

She also said non-collateral debt has moderated, while personal loans and credit cards are now growing at between 3% and 4% from more than 15%.

She also told the daily that lending rules for housing and other loans were necessary.

"Bank Negara has guidelines that we refer to as responsible lending guidelines, which have a requirement for institutions to make an affordability assessment.

"This means that the borrower must demonstrate that they have the capability to service the loan because we don't want the house to be repossessed when they fail, or for it to result in bankruptcies.

"The global financial crisis started in the sub-prime market, giving loans to people who later could not service and repay the loans, and it eventually brought the whole financial system in the US and other developed countries down.

"If we are not careful, the future of our economy would be affected.

"Such prudential guidelines are to sustain the performance of our economy," she was quoted as saying, adding that loan rejection rate was below 20% and approval rate is at 74%.

She told the daily that during the 1997/1998 financial crisis, Malaysia took 18 months to recover.

"Our track record has shown us that every time we have been set back, time and again, we have been able to bounce back. It is more than once. We bounced back, and we bounced back quickly," she was further quoted as saying. – September 17, 2015.

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