

Govt, BNM working to ease housing loan terms and conditions

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— The government and Bank Negara Malaysia (BNM) are working to ease the terms and conditions for housing loans. — Reuters pic

KUALA LUMPUR, April 26 — The government and Bank Negara Malaysia (BNM) are working to ease the terms and conditions for housing loans without affecting the stability of the financial system.

Finance Minister Lim Guan Eng said the ministry would take action if it were to receive any report from developers on housing loan applications being rejected without strong justifications.

“We will take action on banks if we receive reports that house loan applications are rejected without any concrete justification,” he said in his speech at the launch of the Home Ownership Campaign (HOC)-Malaysia Property Expo (Mapex) here today.

He added that the ministry would forward the reports to BNM to be investigated and for the central bank to assist those affected in obtaining housing loans.

“We want to encourage banks to give housing loans. Don’t hinder the government’s initiative to encourage home ownership,” he said.

Meanwhile, in conjunction with the HOC, Lim said buyers of residential properties priced

between RM300,000 and RM2.5 million would be able to enjoy stamp duty exemptions on the instrument of transfer for properties, with 100 per cent stamp duty exemption being applicable for the first RM1 million of the purchase price.

“Through the HOC, developers are encouraged to give discounts of at least 10 per cent off the price, and there are those who will give more,” he said.

Meanwhile, Real Estate and Housing Developers Association (Rehda) president Datuk Soam Heng Choon said as of last month, the HOC has registered RM9.2 billion worth of houses.

“We are optimistic of surpassing our sales target of RM3 billion set for the campaign,” he said.

On housing loan approvals, Soam said that Rehda had received reports from developers under the association on the difficulties that they face in getting their loans approved.

“Most of the loan rejections occur with regards to the lower-end houses. The middle and higher groups do not have much problem,” he added. — Bernama