

LOWER HOUSING LOAN RATE

'PROPOSAL TO BENEFIT B40, M40'

It will boost home ownership, says FD Iskandar

JULIA FIONA
AND QISTINA ATIKAH
KUALA LUMPUR
news@nst.com.my

THE government's proposal to lower the housing loan interest rate will promote home ownership among a large segment of the population, said the Real Estate and Housing Developers' Association Malaysia (Rehda) yesterday.

In describing the proposal as timely, Rehda president Datuk Seri FD Iskandar said the move would benefit Malaysians from the low- and middle-income groups, who struggled to purchase houses due to the economic climate.

"The proposal, which Rehda had mooted on several occasions,

speaks volumes about the government's commitment to fulfil the national housing agenda.

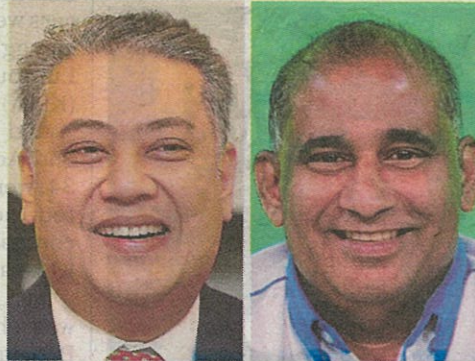
"Should it come into fruition, it will greatly increase the purchasing power of Malaysians, especially those in the M40 and B40 income groups, and help them buy the home of their dreams.

"We foresee that this will improve the economic status of the rakyat given that properties are assets that increase in value."

FD Iskandar said despite the benefits of lower housing loan interest rates, the ease of end-financing was imperative and must meet the objective of the move.

"The main obstacle faced by buyers, especially the younger generation purchasing for the first time, is attaining loans.

"If this obstacle is correctly addressed, combined with the lower interest rate proposal, more



Datuk Seri FD Iskandar and Datuk Dr Marimuthu Nadason.

homebuyers will be able to realise their dreams.

"Rehda hopes the cabinet will consider the proposal once it is tabled, and wishes that Bank Negara Malaysia would give its support.

"We are committed in our efforts to promote home ownership, and we are open to any discussion required to facilitate the process to ensure that the proposal becomes reality," he said.

Federation of Malaysian Con-

sumers Associations president Datuk Dr Marimuthu Nadason said the proposed reduction of housing loan interest rates would benefit low-income civil servants.

"Even though the loan interest rate of about 4.65 per cent is already a great deal for house buyers, but it would be better if the rate can be lowered to, maybe, a minimum of 2.5 to three per cent.

"The reduction will surely serve government servants.

"Some of them might not have enough savings to purchase a house.

"If the rate keeps on decreasing in future, the chances of people purchasing their own house will be much higher."

The government, through the National Housing Department, had proposed to lower the housing loan interest rate.

The matter was discussed during a high-level committee meeting chaired by Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi on Thursday.