

Bank Negara raises income, property price ceilings under RM1b affordable home fund

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August 21, 2019



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KUALA LUMPUR (Aug 21): Bank Negara Malaysia (BNM) is expanding the eligibility criteria of its RM1 billion Fund for Affordable Homes, a fund that was set up earlier this year to help those from the lower income group to finance the purchase of their first homes.

In a statement today, the central bank said it is increasing the maximum monthly household income to RM4,360, while the maximum property price has been increased to RM300,000. The requirements previously stipulated for the maximum monthly household income was RM2,300, with the maximum property price permitted at RM150,000.

The enhancements will take effect on Sept 1, it said.

The eligibility criteria also include that the individual must be a Malaysian citizen, must be salaried worker or self-employed, single or joint borrowers, and must have no record of impaired financing for the past 12 months.

The maximum financing rate is 3.5% per year, with maximum tenure of 40 years or up to 70 years of the applicant's age, whichever is shorter.

BNM established the RM1 billion fund to help lower income earners to purchase affordable homes nationwide. It was made available starting Jan 2 this year, to last two years.