

HBA: Start homeownership education

➤ Proposal to help arm house buyers with knowledge to take on responsibilities as a property owner

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PETALING JAYA: The National House Buyers Association (HBA) is recommending that homeownership education programmes be set up to raise the overall financial literacy of Malaysians.

HBA secretary-general Datuk Chang Kim Loong (*pic*) suggested that the programmes be implemented as a method to prepare low-medium income households to take on the responsibilities of owning a home, so that the hard task of ensuring a "home for everyone" be maintained and homeowners do not end up being "squatters" again.

He said homeownership education can be in the form of manuals to be handed out, advice and information given out by telephone, workshops or face-to-face counselling. These services should ideally be provided before a potential buyer signs a purchase contract. Counselling should be provided to help households maintain their homes or to manage their finances.

"It is not enough just to provide homes for the low-income group who are also first time buyers on the many aspects of homeownership. The success of any public housing programme can be achieved by assisting the lower income group to acquire and remain homeowners. We recommend that potential buyers to be trained to take responsibility of ownership," he told *Property Take*.

A homeownership education programme could include pre-purchase education and post-purchase education.

Pre-purchase education includes understanding the process of buying a house; evaluating household needs; understanding housing types; understanding the loan process and financial preparation.

Post-purchase education includes budgeting monthly expenses; making payments promptly; avoiding loan defaults; living within a community; social responsibility; property taxes

and assessments; insurance, service charges, sinking fund; home maintenance and handling problems with the property.

"This recommendation is intended to encourage all potential first-time low-medium-cost home buyers to attend a homeownership education programme before they search for a home or sign a sale and purchase contract. Educate yourself and learn from the mistakes of others to avoid being disappointed or, worse, 'house poor,'" said Chang.

HBA reiterated that foreclosures can devastate a family's economic and social standing, leaving them poorer instead.

"Making sure B40 & M40 income households have sufficient personal financial management skills is more than a supplementary issue. Financiers, local authorities and communities benefit from homeowners being better informed of their rights and responsibilities as homeowners and borrowers. Support for potential home buyers and owners is crucial."

