

Most go bankrupt over loan woes

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Reports by Eileen Ng</p><p align="justify">
FAILURE to repay vehicle, business and personal loans top the list of people declared bankrupt between 2005 and May this year.
Deputy Minister in the Prime Minister's Department Datuk Liew Vui Keong said in that period, the Insolvency Department handled 80,348 bankruptcy cases. </p><p align="justify">Of the total, 31,950 cases or 39.76 per cent involved Malays, 26,805 cases (33.6 per cent) were Chinese, 7,661 cases (9.53 per cent) were Indians while the rest at 13,932 (17.34 per cent) were from other races. </p> <p align="justify">Men top the list with 74.48 per cent while women accounted for the balance 25.52 per cent.</p><p align="justify">
A total of 19,380 cases, or 24.12 per cent, were caused by people facing difficulties in repaying hire-purchase loans while 9,464 cases, or 11.78 per cent, were attributed to non-repayment of personal loans. </p><p align="justify">"Another 8,786 cases, or 10.93 per cent, involved problems in repaying their business loans," Liew said in a written reply to Senator S. Ramakrishnan.</p><p align="justify">
He said people were also declared bankrupt because of credit card debts, which amounted to 4,417 cases or 5.5 per cent, and standing as corporate (4,291 cases or 5.34 per cent) and social guarantors (3,726 cases or 4.64 per cent).</p><p align="justify">"Other reasons include income tax and educational loans." </p><p align="justify">As such, he said the government had taken steps to reduce bankruptcy among Malaysians. </p><p align="justify">
The steps included conducting outreach programmes to create awareness. </p><p align="justify">As of the second quarter of this year, 33 outreach programmes, 14 media statements and 17 consultative forums had been conducted.</p><p align="justify">On another matter, Deputy Finance Minister Datuk Donald Lim Siang Chai said the number of credit-card holders who were declared bankrupt had declined from 1,656 in 2006 to only 405 last year.</p><p align="justify">"On average, the number of credit-card holders declared bankrupt only amounted to 0.04 per cent of the total 3.2 million credit-card holders," he told Senator Datuk Wan Hazani Wan Mohd Nor.</p><p align="justify">He said the non-performing loans for credit-card holders had decreased by two per cent last year, compared with 4.3 per cent in 2005.</p><p align="justify">◆</p><p align="justify">Source:◆ http://www.nst.com.my/nst/articles/20snta/Article#ixzz0vazVEXPk</p>