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THE first basic right of a consumer is the right to basic needs and one such fundamental need is the right to housing. Thus the proposal to make it more difficult for first-time house owners to purchase their first home is disconcerting. Bank Negara's proposal to raise the deposit from 10% to 20% for housing loans makes access to this basic right even more difficult. We support the more stringent measures taken to thwart speculators who seek to make access profit within the housing industry thereby creating a bubble and affect the economy negatively. However, we cannot condone the move by the Central Bank to deny those who want a roof over their heads.
Currently, even with the 10% or even 5% down payment, banks do run detailed checks to ensure the viability of such a loan. Even in these cases, the banking regulators should ensure that reference checks are only made through legitimate sources and not through those who do not update information leading to the consumer being unfairly penalised. There have been too many cases where consumers have had their loans rejected for no clear reason. His or her loan may have been rejected because he had taken a loan previously, defaulted but later made full settlement. However, the files still show that he or she simply had a bad record. The current 'explosion' in the price of houses in the Klang Valley and in Penang, for example, makes it extremely difficult for the average wage earner to buy a home. House prices have soared way too high and the primary cause for this scenario is speculation. This has to be curbed! Singapore, for instance, has rightfully increased its down payment and included extra fees for the second mortgage. In China, one has to pay a 50% down payment for his or her second house and pay cash for the third. This can control speculation and help to bring the price of houses to a reasonable level. Check out the advertisements on housing today; it is obvious that houses or condominiums are being built for the rich. Often the minimum price can be as high as RM350,000. Certainly, at these prices, these houses are not for the middle-class. While developers maximise their profits by catering to the high-end market, the middle-class are being alienated. There must be a clear policy at both the federal and state levels that affordable housing for the middle-class, apart from low-cost housing, should be built to ensure a fair mix of both high-end and middle-priced houses. As mentioned earlier, housing must be accessible to all. It is the Government's responsibility to ensure that all consumers, not just the very rich, have a roof over their heads. DATUK PAUL SELVA RAJ, Fomca. Source: http://thestar.com.my/news/story.asp?file=/2010/9/14/focus/7031554&sec=focus