

PRESS STATEMENT

Petaling Jaya, 21 January 2009

REHDA Welcomes Positive Moves to Help Borrowers

REHDA Malaysia welcomes the effort made by Bank Negara Malaysia to further cut the Overnight Policy Rate (OPR) from 3.25% to 2.5% and reduce the statutory reserve requirement (SRR). The announcement was seen as a proactive move made by the Central Bank to lower the costs of borrowing for consumers.

Describing the move as a step in the right direction, REHDA President, Datuk Ng Seing Liong believes that the reduction in the interest rate will attract potential buyers who have been adopting a wait-and-see attitude. Despite the current global economic crisis, he is confident that this supportive monetary environment provided by the Government will garner wide appeal to home loan seekers as it will help to ease the burden of borrowers.

Meanwhile, Datuk Ng urges all financial institutions to continue giving loans to the broad property sector with regards to bridging finance, project financing and housing loans irrespective of categories of houses. At the same time, he also stresses that commercial banks should not reduce the fixed deposit rates drastically as it will enable greater disposable income available for spending and provide greater cash flow for depositors especially pensioners.

REHDA believes that the effort made by the Central Bank will not only impact the industry positively but will also generate domestic growth and domestic consumption to support the Malaysian economy and the property sector.

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