

# Fomca: Don't use EPF money for public housing loans

**KUALA LUMPUR:** The Government should not use Employees Provident Fund (EPF) savings to fund loans for the purchase of public housing projects, said Fomca.

Its secretary-general Muhammad Sha'ani Abdullah said such loans for the low-income group would not make money for EPF and the risk of payment default would be high.

"The funds must come directly from the Government and those who qualify should pay rental for their units and subsequently, have this converted to ownership," he said.

He said the Government must consider EPF contributors' interest and not abuse the fund as it served as a safety net for retirees.

On Monday, Federal Territories

and Urban Well-being Minister Datuk Raja Nong Chik Raja Zainal Abidin had said that EPF would channel RM1.5bil to the Federal Territories Foundation as part of a special funding scheme..

He had said that the loan would be guaranteed against the housing unit itself, stressing that the people should not be worried about EPF

ending up the "loser" if tenants defaulted on monthly payments.

Prime Minister Datuk Seri Najib Tun Razak had announced the scheme, which starts on March 1, to help those keen on owning homes under the National Economic Action Council's People Housing Programme as well as Kuala Lumpur City Hall's public housing scheme.