

KUALA LUMPUR (Sept 21): National mortgage corporation Cagamas Bhd has entered into an agreement with the Asian Development Bank (ADB) towards expanding the green mortgage market to include B40, M40 and female-headed households.

Cagamas said the technical assistance agreement with ADB was signed at the conference on developing and financing green housing in Asia on Wednesday (Sept 21), to study and identify the challenges and constraints for scaling up inclusive and green residential mortgages in Malaysia.

The signing ceremony was witnessed by Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz, Cagamas chairman Datuk Bakarudin Ishak, ADB Southeast Asia Department's regional cooperation and operations coordination director Alfredo Perdiguero, and Securities Commission Malaysia executive chairman Datuk Seri Awang Adek Hussin.

In a statement, Cagamas president and chief executive officer Datuk Chung Chee Leong said the company desires to ensure that affordable green housing is accessible to lower-income home buyers, whilst also reducing the overall environmental footprint left by the housing sector.

"We aim to complete the study within a period of one year. The findings will provide knowledge on how the green mortgage market could be expanded, including to the B40 and M40 and female-headed household segments.

Cagamas inks agreement with ADB to expand green mortgage market

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Cagamas is embarking on building blocks to ensure that it will have more supply of green certified houses in the future, said Cagamas President/Chief Executive Officer, Datuk Chung Chee Leong during a wrap up session at the "Developing and Financing Green Housing in Asia" conference.

"These can inform the issuance of a future Cagamas green bond/sukuk to support these market segments," he added.

Cagamas noted that to date, it has issued a cumulative RM1.7 billion worth of sustainability-related bonds and sukuk, adding that proceeds were allocated in accordance with its sustainability bond/sukuk framework — which is aligned with internationally recognised market principles, standards and best practices, to support the growth of Malaysia's social and green finance market.

Meanwhile, ADB private sector financial institution division director Christine Engstrom said addressing climate change impacts and supporting its private sector clients with business solutions is a key priority for the bank.

"It is with much enthusiasm that we announce our partnership with Cagamas to explore the opportunities to create a sustainable and green housing finance ecosystem in Malaysia.

"Supporting green residential housing supply through sustainable construction methods to [ensure] proper standards and quality control, as well as ensuring adequate financing, are all of utmost importance in contributing to this outcome," she said.

Read also: Collaboration from all stakeholders needed to make affordable, green house accessible