



Cagamas Introduces Skim Saraan Bercagar Islamik (SSB-i), a Global-first Islamic Reverse Mortgage Financing for Senior Citizens

SSB and SSB-i expand to Johor Bahru and Penang, online application enabled

Kuala Lumpur, Malaysia, 13 October 2022 – Cagamas Berhad, the National Mortgage Corporation of Malaysia, today introduced Skim Saraan Bercagar Islamik (SSB-i), a global-first Islamic reverse mortgage financing for senior citizen homeowners, which is aimed to help them fund their retirement in compliance with Shariah principles.

Cagamas President/ Chief Executive Officer, Datuk Chung Chee Leong, said “With the launch of the SSB-i, we have enhanced our reverse mortgage offerings to appeal to the local market. The introduction of SSB-i offers an alternative for senior homeowners who prefer a shariah compliant financing solution. It also represents our continuous commitment to support the development of Islamic finance.”

SSB-i is an Islamic Reverse Mortgage Financing facility which allows retirees aged 55 and above, to leverage against the value of their fully paid homes and convert it into a steady monthly cash payout to supplement their retirement funds up to the age of 120 years, without sacrificing home ownership.

SSB-i is based on a sale-based commodity transaction, under the Shariah concept of Commodity Murabahah via Tawarruq arrangement. SSB-i will enjoy the same stamp duty exemption as SSB until end of 2023.

From today, SSB and SSB-i are now available to senior homeowners in Johor Bahru and Penang, in addition to the Klang Valley. Interested applicants may walk-in to the designated Employees Provident Fund (EPF) branches stated in the SSB website for eligibility enquiries, and make an appointment with the Credit Counselling and Debt Management Agency (AKPK) to complete the reverse mortgage financial advisory module.

In addition to currently available submission channels, applicants now have the convenience of submitting applications online through <https://digitalssb.cagamas.com.my/landing> which has been made possible through Cagamas' collaboration with Google Cloud.

“With the positive response garnered during our pilot in the Klang Valley, we are delighted to continue collaborating with the EPF and AKPK in bringing Cagamas' reverse mortgage products to market. We will continue to evaluate the expansion of SSB and SSB-i to other cities in Malaysia. SSB and SSB-i represent Cagamas' continuous efforts to address financial gaps in the marketplace with an initial RM100 million allocation to help retirees unlock the value of their homes safely to receive guaranteed monthly payout throughout their lifetime,” Datuk Chung added.

“The success of SSB to date strengthens our belief that Malaysia is a viable market for reverse mortgages as we continue refining its features for the local market. This comprehensive and integrated solution focuses on retirees who may be affected due to a lack of savings and aims to help them maintain a decent standard of living,” he further added.

More information on SSB is available at www.ssb.cagamas.com.my.

– End –

About Cagamas

Cagamas Berhad (Cagamas), the National Mortgage Corporation of Malaysia, was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia. It issues bonds and sukuk to finance the purchase of housing loans from financial institutions and non-financial institutions. The provision of liquidity to financial institutions at a reasonable cost to the primary lenders of housing loans encourages further expansion of financing for houses at an affordable cost.

The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second largest issuer of debt instruments after the Government of Malaysia and the largest issuer of AAA corporate bonds and sukuk in the market. Since incorporation in 1986, Cagamas has cumulatively issued circa RM369.7 billion worth of corporate bonds and Sukuk.

Cagamas' bonds and sukuk continue to be assigned the highest ratings of AAA/Stable/P1 by RAM Rating Services Berhad and AAA/MARC-1 and AAA_{IS}/MARC-1_{IS} by Malaysian Rating Corporation Berhad, denoting its strong credit quality. Cagamas is also well regarded internationally and has been assigned local and foreign currency long-term issuer ratings of A3 by Moody's Investors Service Inc. that are in line with Malaysian sovereign ratings.

Cagamas Berhad

Registration No. 198601008739 (157931-A)

Level 32, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

Tel: +603 - 2262 1800 | Fax: +603 - 2282 9125

www.cagamas.com.my

Media enquiries:

Cagamas:

Leanne Susau

Tel: +603 - 2262 1719

csc@cagamas.com.my

Lucia Wee

Tel: +603 - 2262 1868

csc@cagamas.com.my