



MALAYSIA PRODUCTIVITY CORPORATION (MPC)

Peti Surat 64, Jalan Sultan, 46904 Petaling Jaya Selangor, Malaysia

Tel: 03-7955 7266, 7955 7050, 79557085

Lorong Produktiviti Off Jalan Sultan, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

<http://www.mpc.gov.my>

FOR IMMEDIATE RELEASE

MPC and PEMUDAH laud Bank Negara's move to abolish housing loan documentation fees

10 February 2023, Petaling Jaya - Malaysia Productivity Corporation (MPC) and the Special Taskforce to Facilitate Business (PEMUDAH) welcome Bank Negara's move to abolish documentation fees charged by banks for housing loans.

Recently, Bank Negara issued a notice for banks to cease charging loan documentation fees, amounting between RM100 and RM600, for a housing loan. Banks imposed the amount on lawyers who managed real estate transactions. Subsequently, this cost was passed on to housing loan borrowers and house buyers.

MPC and PEMUDAH, facilitated by the Technical Working Group on Public and Private Sector (TWGPPSE) chaired by Dato' Pardip Kumar Kukreja, worked on this issue since 2019 and saw this move as apt and timely in reducing the rakyat's burden who are now facing high costs of living and increased prices of goods.

The National House Buyers Association (HBA) first mooted the issue that it was a common practice for banks to impose fees for standardised loan agreement documents needed in the housing loan application process.

Datuk Chang Kim Loong, the Honorary Secretary-General of HBA, said, "Law firms had to purchase these standardised pre-printed forms, or typically download the documents from the banks' portal for prices ranging from RM100 to RM600, or sometimes even higher. Such expenses were, of course, passed down to customers or borrowers as disbursements, usually under the column of purchase of bank's printed forms."

"HBA most welcomes the move by Bank Negara to cease this practice. Borrowers and homeowners are not supposed to be the losing end of loan agreements." said Datuk Chang.

PEMUDAH Co-Chair, Dato' Dr. Ir. Andy Seo Kian Haw, shared the sentiment, "PEMUDAH and MPC applaud Bank Negara's decision to eliminate the said fees. The amount may not be large, but to some extent, it can reduce the burden of house buyers."

"More importantly, the voice and rights of house buyers are heard and taken into account by the relevant authorities. The documentation fees do not add value to services and transactions in purchasing a house. It is an unnecessary cost borne by the borrower."

"PEMUDAH held engagements and discussions with all key stakeholders from the public and private sectors in resolving this issue. The loan documentation fees imposed since 2013 were seen as unfair to borrowers and house buyers."

"This move reflects the unity government's commitment under the leadership of YAB Prime Minister Datuk Seri Anwar Ibrahim to reducing the rakyat's burdens", said Dato' Andy.

End.

For Media Enquiries:

Nurul Ain Alia Abdullah Zawawi
019-3323312 / alia@mpc.gov.my

or

Noor Izzati Kamis
012-2867346 / noorizzati@mpc.gov.my



About Malaysia Productivity Corporation (MPC)

Malaysia Productivity Corporation (MPC) is a statutory body under the Ministry of International Trade and Industry (MITI). MPC promotes productivity, quality and competitiveness to the industries and organisations in Malaysia. MPC's vision is to be the leading organisation in productivity enhancement for global competitiveness and innovation.