

Cagamas introduces Islamic reverse mortgage financing for senior citizens

PETALING JAYA: Cagamas Bhd, the National Mortgage Corp of Malaysia yesterday 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 syariah principles.

Cagamas president and CEO Datuk Chung Chee Leong (*pix*) said with the launch of the scheme, it has enhanced its reverse mortgage offerings to appeal to the local market.

“The introduction of SSB-i offers an alternative for senior homeowners who prefer a syariah-compliant financing solution. It also represents our continuous commitment to support the development of Islamic finance,” Chung said in a statement.

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.

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

“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.

“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 added.

From today, SSB and SSB-i are now available to senior homeowners in Johor Baru and Penang, in addition to the Klang Valley.

