

Frequently Asked Questions

- 01 What happens to the balance payout if a borrower/customer passes away just a few years after signing up for the Loan/Financing? Will it be passed on to the next-of-kin?**

In this situation, the standard Loan/Financing termination process will take place. Below are the options available to the next-of-kin.

Settle the outstanding Loan/Financing

The amount should be minimal, depending on the Loan/Financing tenure. After settling, the property will be reverted to the next-of-kin.

Not settle the Loan/Financing

If the next-of-kin chooses to not settle the Loan/Financing, Cagamas will proceed to dispose the property and settle the outstanding Loan/Financing. Any balance in the sale proceeds of the property, after subtracting the Loan/Financing amount, will be passed on to the borrower's/customer's estate.

- 02 Can a borrower/customer surrender or terminate the Loan/Financing during their lifetime?**

Borrower/customer may surrender or terminate the agreement by settling or paying off the outstanding Loan/Financing amount accumulated until that point of time.

- 03 If the Loan/Financing is under the name of both husband and wife as joint borrowers/customers, what would happen if they get divorced during the Loan/Financing tenure?**

In this circumstance, the joint borrowers/customers will need to discontinue the Loan/Financing and settle the outstanding Loan/Financing amount at that point of time.

- 04 One of the conditions of the Loan/Financing is that the property must be the main residence of the borrower/customer.**

What happens if after several years, the borrower/customer no longer lives in the property due to circumstances such as moving to live with children or to an elderly home? Will the Loan/Financing be terminated?

The Loan/Financing will not be terminated under specific circumstances. We allow for a flexible arrangement for the borrower to move out of the property during the Loan/Financing tenure by obtaining consent from Cagamas.

However, it must be due to circumstances such as medical or health conditions, with proof of medical certification. Each circumstance will be dealt with on a case-to-case basis.

- 05 If the borrower/customer does not have any next-of-kin, what will happen to the balance from the sale proceeds of the property, after subtracting the Loan/Financing amount?**

Cagamas will endeavour to pay the balance from the sale proceeds to the lawful beneficiaries.

- 06 After the borrower/customer passes away, would the Loan/Financing continue to accumulate interest/profit until the property is finally sold?**

Upon the demise of the borrower/customer (or last surviving borrower/customer for a joint Loan/Financing), the Loan/Financing would NOT accumulate any more interest/profit. It will cease with the last disbursement made on the monthly payout.

- 07 What are the additional costs for the signing of the Loan/Financing agreement and who would bear the costs? (E.g., stamp duty, legal fee, loan insurance/takaful policy)**

Upon signing up for the Loan/Financing, here are some initial costs/expenses that will be incurred by the borrower/customer.

Initial upfront costs/expenses:

- a. One-Time Recourse Waiver Fee/One-Time Facility Fee
- b. Legal fees
- c. Valuation fees
- d. Property insurance/takaful
- e. Admin fees (if any)
- f. Servicer fees (if any)

The initial costs/expenses above can be financed by the Loan/Financing.

- 08 Is there any requirement for fire/natural disaster/damage insurance coverage for the property?**

Yes, fire and home insurance/takaful for the property is compulsory to be undertaken by the homeowner(s). This is similar to the requirement for normal mortgage Loan/Financing by banks.

- 09 Is a gradually increasing monthly payout possible for borrowers/customers to manage the rising cost of living due to long-term inflation?**

Our current Loan/Financing does not allow for any changes in the monthly payout amount. It is fixed from the start of the Loan/Financing tenure until death of the borrower(s)/customer(s).

- 10 Is the Loan/Financing open for leasehold properties or properties built on leasehold land?**

Yes, we allow for leasehold properties with at least 90 years of lease remaining.

Otherwise, borrower/customer may need to renew the lease to be eligible.

- 11 For SSB-i, what will happen if the customer still survives after 120 years old?**

Monthly payout will stop and customer will be allowed to continue to stay in the house and the outstanding financing amount will be claimed upon demise of the customer.

Skim Saraan Bercagar Reverse Mortgage

The uncertainty of the current economy can make retirees worry and anxious about not having enough money to maintain their lifestyle throughout their retirement years.

Reverse Mortgage Loan & Islamic Reverse Mortgage Financing (Skim Saraan Bercagar Islamik – SSB-i)

About Skim Saraan Bercagar

Senior homeowner can now generate cash during retirement by taking out a reverse mortgage.



What is Skim Saraan Bercagar (SSB)?

Skim Saraan Bercagar is a type of Loan/Financing that is targeted for the elderlies or retirees who own a home, which allows them to convert their one big asset - their residential property - into a fixed monthly income stream throughout their lifetime, without sacrificing ownership whilst continuing to stay in their home.

- ✓ To enable retired homeowner to gain access to a lifetime stream of supplemental cash flow for daily subsistence.
- ✓ Homeowners can now draw on their home equity to supplement their retirement income, thus reducing the dependency on their next-of-kin.



Lifetime/Long Financing tenure

Fixed monthly payouts throughout the lifetime of the borrower(s) or up to 120 years old for customer(s) under SSB-i



No payment during lifetime

Settlement only due when the last surviving borrower(s)/customer(s) passes away



Residing in own home

Borrower(s)/customer(s) can continue to stay in their home throughout their life



Non-recourse

Heirs/Estate of the borrower(s)/customer(s) will not be responsible to settle the outstanding Loan/Financing and any shortfall if the sale proceeds of the property is less than the outstanding Loan/Financing amount

How does it work?

To qualify for SSB, the person must be at least 55 years of age and own a home.



Eligibility Criteria for Borrower/Customer

- ✓ Malaysian age 55 years and above, applicable for single and joint application (up to 2 names)*
- ✓ Owner or joint owners of a residential property

* For joint application, joint borrower/customer can be spouse, parent, sibling or child, subject to age limit.



Eligibility Criteria for Property

- ✓ Residential property in Malaysia held in borrower/customer's name
- ✓ For joint application, joint ownership of property is required
- ✓ Property must be owner-occupied and be the primary place of residence
- ✓ Freehold or leasehold with remaining lease tenure not less than 90 years
- ✓ Free from encumbrances such as mortgage and other financial liabilities
- ✓ Not subject to any Hibah (gift) including Hibah Amanah

How to apply?

We make the application process as simple as possible. Follow these steps below and you're on your way to a Skim Saraan Bercagar Loan/Financing!



Step 1

Schedule an appointment with selected EPF Branches



Step 2

Take a pre-assessment test to determine your eligibility



Step 3

Make an appointment with AKPK's Financial Advisor



Step 4

Complete the financial advisory module with AKPK



Step 5

Submit your application to Cagamas. Online Application is now available. Kindly visit <https://ssb.cagamas.com.my/how-to-apply> for more information

