MORTGAGE-BACKED SECURITIES MARKETS: EXPERIENCE OF MALAYSIA

N. Kokularupan
Chief Executive Officer, Cagamas Berhad
Outline

• Housing Finance in Malaysia

  • Establishment of Cagamas Berhad
  • Cagamas’ Business Model
  • Four Distinct Phases of Development of Cagamas Berhad
  • Cagamas Debt Securities
  • Securitisation of the Government’s Staff Housing Loans

• Conclusion
HOUSING FINANCE IN MALAYSIA
Government’s Policy

• Objective of housing policy
  - to increase accessibility to adequate, affordable and quality houses

• Actively promote home ownership since the 1970s
  - especially among the lower- and middle-income groups
Housing Loans Originators

Private Sector

- Financial Institutions
- Non-financial private enterprises

Public Sector

- Treasury Housing Loan Division (THLD)
Eight Major Primary Lenders

- Commercial banks (including Islamic)
- Bank Rakyat
- Bank Simpanan Nasional
- Finance companies
- Borneo Housing Mortgage Finance
- THLD
- Malaysia Building Society Berhad (MBSB)
- Sabah Credit Corporation
Major Sources of Housing Finance

Year

Commercial Banks  Finance Companies  Government  Building Societies  Others
The Mortgage Market

Characteristics of housing loans in Malaysia

- Granted on floating rate basis
- Have maturities ranging from 15-25 years
- Have low default rates and foreclosure losses are minimal
The Mortgage Market

• Ready access to credit facilities would only be available if:
  - there are willing lenders
  - the lenders are able to secure funds at low mortgage rates
  - the primary lenders are able to sell some of their existing housing loans
  - the lenders are able to raise funds to finance new housing loans on a revolving basis
In the early 1980s, the financial institutions faced a tight liquidity situation. They were subject to liquidity risk arising from the mismatch of maturities of the funds (short term) and the housing loans (long term). Therefore, the financial institutions would only be able to provide ready access to housing loans at favourable rates if they can secure cheap funds and reduce maturity mismatch.
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• Conclusion
A Committee set up by the BNM recommended the establishment of a secondary mortgage market. The proposal was not implemented since the conditions then were not conducive to introduce such a market.

1980

A new Technical Committee was set up to:

- explore the feasibility of a secondary mortgage market
- propose viable instruments for such a market
- determine the requirements for setting up of an institution to act as an intermediary between primary lenders and investors.

February 1986
The Technical Committee recommended that a national mortgage corporation be established as a matter of priority in view of the prevailing recessionary conditions.

Cagamas was intended to be used as one of the measures to overcome the recession.
Establishment of Cagamas Berhad

- Incorporated in December 1986 as a public limited company; to operate as a private sector enterprise
- Commenced business in October 1987
- Shareholders
  - single largest shareholder is BNM (20%)
  - financial institutions (80%)
Cagamas’ Role

- Cagamas was given a specific role to:
  - Encourage home ownership
  - Develop the private debt securities (PDS) market
Cagamas’ Role

Encouraging home ownership

- Provides financial resources to enable primary lenders to grant more loans
- Provides liquidity by narrowing the gap between the maturity structure of the housing loans and the source of funds
Cagamas’ Role

Encouraging home ownership

• Benefits to the house buyers
  - obtain easy access to housing loans at reasonable cost
  - obtain attractive and affordable housing loan packages characterised by low interest rates for the initial years
## Housing Credit Outstanding*

<table>
<thead>
<tr>
<th>Primary Lenders</th>
<th>As at end</th>
<th>1988</th>
<th>%</th>
<th>1998</th>
<th>%</th>
<th>2004</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM mil</td>
<td></td>
<td></td>
<td>RM mil</td>
<td></td>
<td>RM mil</td>
<td></td>
</tr>
<tr>
<td>Commercial Banks</td>
<td>7,712</td>
<td>36.6</td>
<td>37,770</td>
<td>53.6</td>
<td>103,654</td>
<td>73.1</td>
<td></td>
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<tr>
<td>Finance Companies</td>
<td>2,333</td>
<td>11.1</td>
<td>12,914</td>
<td>18.3</td>
<td>5,991</td>
<td>4.2</td>
<td></td>
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<tr>
<td>Treasury Housing Loans Division</td>
<td>8,968</td>
<td>42.6</td>
<td>15,794</td>
<td>22.4</td>
<td>25,930</td>
<td>18.3</td>
<td></td>
</tr>
<tr>
<td>Malaysia Building Society</td>
<td>1,285</td>
<td>6.1</td>
<td>1,436</td>
<td>2.0</td>
<td>1,753</td>
<td>1.2</td>
<td></td>
</tr>
<tr>
<td>Borneo Housing Mortgage Finance</td>
<td>466</td>
<td>2.2</td>
<td>533</td>
<td>0.8</td>
<td>705</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Sabah Credit Corporation</td>
<td>162</td>
<td>0.8</td>
<td>269</td>
<td>0.4</td>
<td>238</td>
<td>0.2</td>
<td></td>
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<tr>
<td>Bank Rakyat</td>
<td>129</td>
<td>0.6</td>
<td>717</td>
<td>1.0</td>
<td>2,508</td>
<td>1.8</td>
<td></td>
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<tr>
<td>Bank Simpanan Nasional</td>
<td>-</td>
<td>0.0</td>
<td>1,006</td>
<td>1.4</td>
<td>1,059</td>
<td>0.7</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,055</strong></td>
<td><strong>100.0</strong></td>
<td><strong>70,439</strong></td>
<td><strong>100</strong></td>
<td><strong>141,837</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Includes loans sold to Cagamas*
Approved Housing Loans

RM million

Year


Total Housing Loans

1997/98 Financial Crisis
Cagamas’ Role

Encouraging home ownership

• Benefits to the sellers
  - hedge their interest rate risks
  - obtain liquidity at a competitive cost to originate more housing loans and enhance their lending operations
  - price their loan products competitively
  - improve their capital adequacy ratio if they sell on without recourse basis
Cagamas’ Role

**Encouraging home ownership**

- Benefits to the Government and the economy
  - helps the Government to achieve its policy of encouraging home ownership
  - makes housing loans more affordable to the lower income group without any interest subsidy being incurred by the authorities
  - encourages property development and related spin-off effects
Cagamas’ Role

Developing the PDS Market

• The PDS market was virtually absent until the creation of Cagamas

• The fledgling capital market began to grow more rapidly after Cagamas was established
  - provides additional instruments for investing surplus funds
  - provides an opportunity for bond dealers to undertake transactions in PDS on a large scale
  - paves the way for other corporations to raise funds in the domestic market
Cagamas’ Role

Developing the PDS Market

- Other corporations have started to issue PDS as an alternative to borrowing from the financial institutions
# Share of PDS Market

<table>
<thead>
<tr>
<th>As at end</th>
<th>Other Private Debt Securities</th>
<th>Cagamas Bonds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM mil</td>
<td>%</td>
<td>RM mil</td>
</tr>
<tr>
<td>1998</td>
<td>46,745</td>
<td>75.6</td>
<td>15,064</td>
</tr>
<tr>
<td>1999</td>
<td>78,632</td>
<td>85.8</td>
<td>13,019</td>
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<tr>
<td>2000</td>
<td>100,494</td>
<td>85.4</td>
<td>17,168</td>
</tr>
<tr>
<td>2001</td>
<td>117,674</td>
<td>86.6</td>
<td>18,283</td>
</tr>
<tr>
<td>2002</td>
<td>108,416</td>
<td>82.8</td>
<td>22,595</td>
</tr>
<tr>
<td>2003</td>
<td>144,595</td>
<td>84.9</td>
<td>25,628</td>
</tr>
<tr>
<td>2004</td>
<td>160,057</td>
<td>85.7</td>
<td>26,752</td>
</tr>
</tbody>
</table>
Cagamas’ Role

Developing the PDS Market

• Benefits to the investors
  - high quality papers to investors
  - attractive channel for investment by pension funds, insurance companies and banks with large surplus long-term funds seeking long-term investment assets
Outline

• Housing Finance in Malaysia
• Establishment of Cagamas Berhad

• **Cagamas’ Business Model**

• Four Distinct Phases of Development of Cagamas Berhad
• Cagamas Debt Securities
• Securitisation of the Government’s Staff Housing Loans
• Conclusion
Housing Loans - Purchase With Recourse

- House Owners
  - Grant loans and debts

- Financial Institutions, Government and Selected Corporations
  - Sell loans and debts

- Cagamas
  - Issues debt securities

- Lead Managers
  - Subscribe to or purchase debt securities

- Investors
Housing Loans - Purchase With Recourse

- Designed to:
  - suit local conditions; and
  - overcome barriers that could prevent the scheme from taking off successfully

- A necessary interim step as:
  - there was a lack of information and statistics regarding the credit risks
  - there was no incentive for the financial institutions to sell good quality housing loans on an outright basis
Purchase Based on Interest Review Periods

- At the end of the period, the primary lender has the option to repurchase the loans sold to Cagamas if it does not agree to the new interest rate offered by Cagamas
  - induce the primary lenders to sell
  - primary lenders do not have to commit themselves for the remaining life of the loan
Unsecured Debt Securities

- As the purchases are on with recourse basis, investors are not directly exposed to the underlying risks of the loans and debts.

- Lack of information and statistics on credit risks, default rate and prepayment rate of housing loans.

- Investors then were not ready for sophisticated financial instruments.
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- Conclusion
## Cagamas’ Four Phases of Development

<table>
<thead>
<tr>
<th>Period</th>
<th>Phase</th>
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</thead>
<tbody>
<tr>
<td>1987-1991</td>
<td>Start-up Phase</td>
</tr>
<tr>
<td>1992-1997</td>
<td>Take-off and Growth Phase</td>
</tr>
<tr>
<td>1998-2003</td>
<td>Diversification Phase</td>
</tr>
<tr>
<td>2004 to date</td>
<td>Securitisation Phase</td>
</tr>
</tbody>
</table>
The initial years of Cagamas were not without difficulties. The newness of its operations and its limited product line contributed to its slow progress in the early stage.

Initially, only one product - buying on fixed rate for 5 years with recourse.

- 1989-1990 - extended purchases on fixed rates for 3- and 7-year periods.
Cagamas’ Four Phases of Development

1987-1991

Start-up Phase

- First five years - low volumes of housing loans purchased
  - unfamiliarity with Cagamas’ operations and the advantages of selling housing loans to Cagamas
  - interest rates were declining rapidly

- As at end-December 1991, outstanding housing loans with Cagamas amounted to only RM1.9 billion
Cagamas’ Four Phases of Development

Take-off and Growth Phase

1992-1997

- From 1992 - active marketing and introduction of new products
- Widening of client base to include selected corporations
- Extended its range of products on with and without recourse basis
Cagamas’ Four Phases of Development

1992-1997

Take-off and Growth Phase

- Purchase With Recourse
  - Floating rate housing loans (1992)
  - Convertible rate housing loans (1993)
  - Islamic house financing debts (1994)
  - Industrial property loans (1996)

- Purchase Without Recourse
  - Housing loans (1999)
Cagamas’ Four Phases of Development

1998-2003

Diversification Phase

• Purchase With Recourse
  - Hire purchase and leasing debts (1998)
  - Islamic hire purchase debts (2002)
  - Credit card receivables (2003)
Cagamas’ Loans and Debts Outstanding

<table>
<thead>
<tr>
<th></th>
<th>As at end-June 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM million</td>
</tr>
<tr>
<td><strong>PURCHASE WITH RECOU</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>25,207.7</td>
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<tr>
<td><strong>Housing loans</strong></td>
<td>13,438.1</td>
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<tr>
<td>Conventional</td>
<td>12,753.7</td>
</tr>
<tr>
<td>Islamic</td>
<td>684.4</td>
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<tr>
<td><strong>Industrial property loans</strong></td>
<td>18.3</td>
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<tr>
<td><strong>Hire purchase and leasing</strong></td>
<td>11,751.3</td>
</tr>
<tr>
<td>Conventional</td>
<td>10,007.0</td>
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<tr>
<td>Islamic hire purchase debts</td>
<td>1,744.3</td>
</tr>
<tr>
<td><strong>Total Loans and Debts</strong></td>
<td>26,614.9</td>
</tr>
</tbody>
</table>
Cagamas’ Four Phases of Development

Securitisation Phase

- 20 October 2004 - Securitisation of the Government’s staff housing loans
- Cagamas is also looking into the securitisation of other asset classes (including those based on Islamic principles)
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- **Cagamas Debt Securities**

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Types of Cagamas Bonds

**Unsecured Debt Securities**

- Cagamas fixed rate bonds
- Cagamas floating rate bonds
- Short-term Cagamas notes
- Sanadat Mudharabah Cagamas
- Sanadat Cagamas
- Cagamas Bithaman Ajil Islamic Securities (BAIS)

**Residential Mortgage-Backed Securities**
## Cagamas Bonds Outstanding

### Unsecured Debt Securities

<table>
<thead>
<tr>
<th>As at end</th>
<th>Fixed Rate Bonds</th>
<th>Floating Rate Bonds</th>
<th>SMC</th>
<th>Sanadat Cagamas</th>
<th>Cagamas BAIS</th>
<th>Cagamas Notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM million</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>14,060</td>
<td>850</td>
<td>154</td>
<td>-</td>
<td>-</td>
<td>6,210</td>
<td>21,274</td>
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<tr>
<td>1999</td>
<td>12,895</td>
<td>0</td>
<td>124</td>
<td>-</td>
<td>-</td>
<td>6,400</td>
<td>19,419</td>
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<tr>
<td>2000</td>
<td>17,098</td>
<td>0</td>
<td>214</td>
<td>-</td>
<td>-</td>
<td>4,167</td>
<td>21,479</td>
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<td>2001</td>
<td>18,283</td>
<td>0</td>
<td>144</td>
<td>-</td>
<td>-</td>
<td>3,110</td>
<td>21,537</td>
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<tr>
<td>2002</td>
<td>21,841</td>
<td>0</td>
<td>754</td>
<td>-</td>
<td>-</td>
<td>2,375</td>
<td>24,970</td>
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<tr>
<td>2003</td>
<td>24,554</td>
<td>0</td>
<td>1,074</td>
<td>-</td>
<td>-</td>
<td>875</td>
<td>26,503</td>
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<tr>
<td>2004</td>
<td>24,222</td>
<td>0</td>
<td>930</td>
<td>1,600</td>
<td>-</td>
<td>1,500</td>
<td>28,252</td>
</tr>
<tr>
<td>Jun-05</td>
<td>22,827</td>
<td>0</td>
<td>930</td>
<td>1,600</td>
<td>400</td>
<td>0</td>
<td>25,757</td>
</tr>
</tbody>
</table>
# Residential Mortgage-Backed Securities

<table>
<thead>
<tr>
<th>As at end</th>
<th>Residential Mortgage-Backed Securities</th>
<th>Islamic Residential Mortgage-Backed Sukuk Musyarakah</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-05</td>
<td>1,555</td>
<td>2,050</td>
</tr>
</tbody>
</table>

RM million
Credit Rating

• Cagamas papers have sterling record of highest ratings
  - AAA for its longer term bonds
  - P1 and MARC-1 for its short-term notes

• Factors supporting its credit rating:
  - prudent management of loan purchase operations and investment
  - quality of shareholders
  - stable income stream
## Investors’ Profile

<table>
<thead>
<tr>
<th>Investors</th>
<th>As at end-December 2004</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM million</td>
<td>%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>15,207</td>
<td>56.8</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>1,189</td>
<td>4.5</td>
</tr>
<tr>
<td>Provident and Pension Funds</td>
<td>7,129</td>
<td>26.6</td>
</tr>
<tr>
<td>Others</td>
<td>3,227</td>
<td>12.1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>26,752</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
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Housing Loans - Purchase Without Recourse

• Introduced in March 1999 in tandem with the thrust towards asset-backed securitisation
• However, there was no urgency for the financial institutions to securitise their housing loans
  - housing loans are good quality assets
  - excess liquidity in the banking system
  - high risk-weighted capital adequacy ratio of the banking system [12.5% (1999), 14.2% (2004)]
  - housing loans are deemed to be high quality assets since their default rates are very low and foreclosure losses are negligible
Securitisation of Housing Loans

• The breakthrough for the scheme came in April 2004 when the Government of Malaysia mandated Cagamas to undertake the securitisation of the Government’s staff housing loans (GSHL) over a period of time

• The aggregate outstanding principal amount of the housing loans was RM24 billion then
Securitisation of GSHL

OBJECTIVES

To further increase the depth and breadth of the domestic bond market

To promote asset-backed securities (ABS) as a new tool for raising funds from the capital market

To create a yield curve for MBS that serves as benchmark for other ABS issues
Cagamas MBS Berhad (CMBS)

- Cagamas Berhad incorporated a wholly-owned subsidiary, Cagamas MBS Berhad (CMBS), as a limited-purpose entity to solely:
  - purchase the Government’s staff housing loans; and
  - issue RMBS

- CMBS has certain features of a bankruptcy-remote entity
  - restrictions place upon it in M&A and Trust Deed
  - cross-collateralisation of security is not expected for any of its issues
FIRST DEAL:
ISSUANCE OF
RM1.555 BILLION
RMBS
The First Deal

- Securitisation of RM1.936 billion Government’s staff housing loans
  - Malaysia’s first transaction backed by residential mortgages
  - issuance of RM1.555 billion nominal value RMBS on 20 October 2004 by CMBS
RMBS: The Structure

GOVERNMENT’S HOUSING LOANS DIVISION

True Sale of RM1,936 million Portfolio Pool

Cash Settlement

CAGAMAS BERHAD

Equity (100% Ownership)

Issuance of RM1,555 million RMBS

Portfolio Pool of RM1,936 million (Collateral/Security)

INVESTORS

CAGAMAS MBS BERHAD

RMBS Proceeds

TRUSTEE AND SECURITY AGENT

Cagamas Berhad
THE NATIONAL MORTGAGE CORPORATION
RMBS: Salient Characteristics

Issue

- Cagamas MBS Berhad

- RM1.555 billion RMBS issue comprising the following tranches:

<table>
<thead>
<tr>
<th>Tenure (Years)</th>
<th>Issue Amount (RM million)</th>
<th>Maturity Date</th>
<th>Coupon Rate (%)</th>
<th>Spread over MGS (basis points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>580</td>
<td>19-Oct-2007</td>
<td>3.70</td>
<td>18</td>
</tr>
<tr>
<td>5</td>
<td>340</td>
<td>20-Oct-2009</td>
<td>4.30</td>
<td>26</td>
</tr>
<tr>
<td>7</td>
<td>290</td>
<td>20-Oct-2011</td>
<td>4.95</td>
<td>38</td>
</tr>
<tr>
<td>10</td>
<td>345</td>
<td>20-Oct-2014</td>
<td>5.50</td>
<td>45</td>
</tr>
</tbody>
</table>

Principle

- Conventional
Rating of RMBS

• The RMBS was accorded the highest rating of AAA by both Rating Agency Malaysia Berhad (RAM) and Malaysian Rating Corporation Berhad (MARC)

• The rating reflects:
  - the superior quality of the underlying assets
  - the strong counterparties
  - the credibility of the RMBS structure, where the source of repayment for these assets comes from pension deductions by the Government
Investors of RMBS

- The RMBS issue attracted RM11.1 billion in book size
  - foreign interest from Hong Kong and Singapore amounting to approximately RM2.2 billion
  - RM8.9 billion was from domestic institutions

- Investors comprise financial institutions, asset managers, insurance companies and corporates
Competitive Pricing

- The tremendous response enabled the issue to be priced competitively at the lower end of the price guidance.

- At the cut-off prices, the book size remained substantial at RM10.6 billion giving an over subscription rate of 5.6 times.
Trading of RMBS

- The 3-year RMBS
  - most actively traded in the secondary market due to the yield pick up as compared to MGS

- The 10-year RMBS
  - the least traded as the bonds were mostly held for investment
SECOND DEAL: ISSUANCE OF RM2.050 BILLION IRMBS
The Second Deal

• Securitisation of RM2.844 billion Government’s staff Islamic home financing
  - first world’s rated issuance of Islamic securities backed by a pool of the Government’s staff Islamic home financing
  - issuance of RM2.050 billion nominal value Islamic Residential Mortgage-Backed Sukuk Musyarakah (IRMBS) on 8 August 2005 by CMBS
IRMBS: The Structure

Sale of Portfolio 2005-1, by way of Equitable Assignment

Issuance of Sukuk Musyarakah by CagaMBS to fund purchase of Portfolio 2005-1
IRMBS: Salient Characteristics

**Issuer**

- Cagamas MBS Berhad

**Issue**

- RM2.050 billion IRMBS issue comprising the following tranches:

<table>
<thead>
<tr>
<th>Tenure (Years)</th>
<th>Issue Amount (RM million)</th>
<th>Maturity Date</th>
<th>Coupon Rate (%)</th>
<th>Spread over MGS (basis points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>250</td>
<td>08-Aug-2008</td>
<td>3.41</td>
<td>27</td>
</tr>
<tr>
<td>5</td>
<td>215</td>
<td>06-Aug-2010</td>
<td>3.84</td>
<td>46</td>
</tr>
<tr>
<td>7</td>
<td>260</td>
<td>08-Aug-2012</td>
<td>4.24</td>
<td>47</td>
</tr>
<tr>
<td>10</td>
<td>515</td>
<td>08-Jul-2015</td>
<td>4.71</td>
<td>51</td>
</tr>
<tr>
<td>12</td>
<td>410</td>
<td>08-Aug-2017</td>
<td>5.01</td>
<td>68</td>
</tr>
<tr>
<td>15</td>
<td>400</td>
<td>08-Jul-2020</td>
<td>5.27</td>
<td>73</td>
</tr>
</tbody>
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**Principle**

- Islamic - Sukuk Musyarakah
Partnership Arrangement

• The IRMBS issued under the principle of Musyarakah involves a partnership arrangement between various parties to raise capital towards the financing of a business venture

• Both profits and losses will be shared on the basis of equity participation
Rating of RMBS

- The IRMBS has been accorded the highest rating of AAA by both MARC and RAM

- The rating reflects:
  - the superior quality of the underlying assets
  - the strong counterparties
  - robustness of the IRMBS structure, where the source of repayment for the IRMBS will be deductions at source from comes from salary and pension payments of the Government’s staff
Investors of RMBS

• The IRMBS issue attracted RM13.5 billion in book size
  - foreign interest from Hong Kong and Singapore amounting to approximately RM0.7 billion
  - RM12.8 billion was from domestic institutions

• Investors comprise financial institutions, asset managers, insurance companies and corporates
Competitive Pricing

• The tremendous response enabled the issue to be priced competitively at the lower end of the price guidance

• At the cut-off prices, the book size remained substantial at RM13.1 billion giving an over subscription rate of 5.4 times
Key Success Factors

- Regulatory support from BNM, SC and other relevant Government agencies
- Strong counterparties
- Cagamas branding - use of CMBS successfully contributed towards achieving favourable pricing
- Superior quality of the underlying assets
Outline

• Housing Finance in Malaysia
• Establishment of Cagamas Berhad
• Cagamas’ Business Model
• Four Distinct Phases of Development of Cagamas Berhad
• Cagamas Debt Securities
• Securitisation of the Government’s Staff Housing Loans

• Conclusion
Conclusion

• Cagamas is now at the crossroads of having to operate in a competitive level playing field while retaining its important social objective of encouraging home ownership

• Cagamas will therefore continue to develop innovative and more diverse financial products to meet the requirements of sellers and investors
Conclusion

• In line with our mission to promote home ownership, Cagamas on its part, will continually refine, modify and introduce new products, including Islamic products, to meet the challenges of ensuring easy accessibility to housing loans at an affordable cost
THANK YOU

For more information, please visit our website at:
www.cagamas.com.my

or email:
info@cagamas.com.my
Mortgage-backed securities (MBS) processing requires efficiency, accuracy and transparency. Our electronic trading system supports straight-through processing of large volumes of trades, including assignments of trades (AOT). Straight-through processing across the MBS trading life cycle. Mortgage-backed Securities Trade Assignment Portal. Designed for mortgage originators, asset managers and broker-dealers. Transparent workflow — know the status of your assignment of trades (AOT) anytime. Mortgage-backed securities markets: experience of Malaysia. Published by Eugenia Williams Modified over 4 years ago. Embed. 8 Characteristics of housing loans in Malaysia. The Mortgage Market Characteristics of housing loans in Malaysia. Granted on floating rate basis. Have maturities ranging from 15-25 years. Have low default rates and foreclosure losses are minimal. In the context of the Malaysian economy, since the 1970s, the Government has been actively promoting widespread ownership of housing, especially among the lower and.