

The Star - Avoid overly strict rules, banks told

Written by Administrator

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KUALA LUMPUR: Banks should not be overzealous in imposing conditions on car buyers. Finance Ministry parliamentary secretary Datuk Seri Dr Hilmi Yahaya said yesterday that overly strict guidelines would cripple the car sales industry. While banks have to be careful in giving out loans according to their financial rating system, they should be more lenient to buyers, he told reporters at the Parliament lobby yesterday. They must give some leeway to consumers who want to buy cars.

He was commenting on a report in *The Sunday Star*, which said that banks had imposed new screening measures to ensure borrowers paid their loans on time. Financial institutions were worried about falling car prices, which could result in more people buying cars if loans were easily available. The report also said that all loan applications would be subject to a financial rating system based on Bank Negara's Central Credit Reference Information System and two private credit reference agencies Credit Tip Off Service Sdn Bhd (CTOS) and Financial Information System Sdn Bhd (FIS). Dr Hilmi said MPs had complained to him that the CTOS and FIS databases were not updated regularly, causing difficulty to car buyers who had paid their loans.