'Use qualified law firms'

Chua: Civil servants not limited to Bumi partnership companies

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PETALING JAYA: There is no requirement for civil servants to only engage law firms with bumiputra partnerships when applying for government housing loans.

Deputy Finance Minister Datuk Chua Tee Yong said Public Sector Home Financing Board (LPPSA) officers informed him that the requirement did not exist in any government policy.

Chua said the implementation of panel of lawyers by LPPSA to process applications for government housing loans for civil servants was to ensure all related documents were in order to minimise unnecessary backlog.

"The strict assessment and evaluation of law firms in the process had also resulted in disqualification of many small-and-medium law firms. The condition of bumiputra partnerships should not be used as part of the consideration or evaluation.

Datuk Chua Tee Yong

"But the condition of bumiputra partnerships should not be used as part of the consideration or evaluation.

"It should be open to all firms that are qualified," he said in a statement yesterday.

Chua said this in response to a statement by National MCA Youth legal bureau chief Ng Kian Nam who said the party objected to the new requirement.

Ng added that it was unfair as borrowers no longer had the option to engage lawyers of their choice.

Chua said he had directed LPPSA to review the assessment and qualification system to enable more small-and-medium sized law firms to be included as panel lawyers, so that they too could process civil servants' applications for government housing loans.

He said the panel lawyers for sale and purchase agreements and housing loan applications could be separated from litigation cases.

In July this year, Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah announced that the Housing Loan Department under the Ministry of Finance would be transformed into a statutory body and would be known as LPPSA.

But, LPPSA will officially take over the functions of the Housing Loan Department effective Jan 1.