

Jenis Akhbar : *Bernamea Online*
Tarikh : *18/05/2022*
Edisi / Muka surat : www.bernama.com
Tajuk : *ANGKASA : OPR increase will not affect co-op loans*

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18/05/2022 07:54 PM

KUALA LUMPUR, May 18 (Bernama) -- The Overnight Policy Rate (OPR) is not expected to affect those who took loans through co-operatives in the country.

The National Co-operative Movement of Malaysia (Angkasa) president Datuk Seri Dr Abdul Fattah Abdullah said this is because co-operatives used internal resources to give out loans.

"For Angkasa, we are aware of the steps taken by Bank Negara Malaysia (BNM) to raise the OPR rate and we know OPR increases will result in an increase in charges for borrowers, but in the context of co-operatives, there are two alternatives.

"In co-operatives, we use internal resources which are contributions from co-operative members such as shares or special investments by members whose money is used to give out loans to other members. So this (OPR rise) does not impose an effect (in this case)," he said when met at the Aidilfitri celebration hosted by Koperasi Peserta-Perserta Felcra Bhd where a memorandum of understanding (MoU) was also signed with a Felcra Cooperative Residency Project.

Fattah said, however, if the cooperative were to use resources from other financial institutions, Angkasa cannot guarantee that (loan repayments will not rise) when the OPR is increased.

"If these cooperatives use resources from other financial institutions to lend to their members in the form of personal loans, I cannot guarantee (there is no effect on repayment). Of course, they will impose high charges on borrowers," he said.

Nonetheless, he said not increasing the OPR would be an advantage to co-operatives which have internal resources.

"If the co-operative has a lot of member contributions, it will provide an opportunity for the co-operative to expand its market," he said.

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