

PANEL DISCUSSION SECONDARY MORTGAGE FACILITY (SMF) IN INDONESIA REVIEWED FROM ASPECTS OF ASSET SECURITIZATION, BANK AND CAPITAL MARKET

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In order to meet the purpose of achieving an adequate living standard for its people, Indonesian government has launched programs for building modest and very modest houses since the need for housing in Indonesia is increasing enormously. Public housing minister Yusuf Asy'ary disclosed that in the medium term development plan (RPJM) 2004-2009, the number of houses to be built is estimated at 1.3 Million or 270.000 Million per annum. The gap between demand and supply of housing in Indonesia is attributable to the rare and limited financing source. KPR as the main financing instrument remains unable to the need wholly. In addition, the value of KPR channeled by banks also keep decreasing because the long term credit is highly risky and must be financed by short term fund coming from savings, deposits and giro.

Amid the limited financing, secondary mortgage facility (SMF) can be utilized as an alternative

source of house financing because under the house financing secondary market, investment portfolio of KPR deemed not liquid.

Through PT. Sarana Multigriya Finansial (SMF) as state owned enterprise in secondary mortgage facility institution, which function to support provision of KPR through financing on the secondary market. The institution serves as intermediary cum facilitating agency between creditor, banks and investors.

Interested in understanding this new legal issue, Suria Nataadmadja & Associates held a panel discussion on "secondary mortgage facility (SMF) in Indonesia", by inviting the experts of SMF, such as Erica Soeroto, as the president director of PT. Sarana Multigriya Finansial (Persero) – SMF institution; Gunawan Widjaja, an expert in business law and corporate law; Iqbal Latanro, director of PT. Bank Tabungan Negara (Persero) as the key speakers in the discussion. This half day discussion, which will be held on January, 30th 2007 at Bima

room of hotel bumikarsa is addressed to the legal practitioners, notary, property company, accountant, bank, finance institution, and public.

Topics to be discussed:

- General understanding on smf and the need of smf by business community, mainly by the property society.
- Procedure of the asset securitization.
- Legal aspect of asset securitization in capital market.
- Smf as the form of asset securitization and investment in capital market.
- The role, procedure and transaction to be done by the bank in the asset securitization process.
- The related institutions in the asset securitization process and documentation to be performed.

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