

**PRODUCT DISCLOSURE SHEET**

Kindly read this Product Disclosure Sheet together with the terms in the Letter of Offer before you decide to take up the product below:

Please tick whichever is applicable in this document.

Please do not hesitate to contact the Bank for clarification, if required.



<Product Name>

Date: <<Date Letter of Offer issued>>

**1. What is this product about?**

<input type="checkbox"/> Hong Leong Housing Loan/ Shop Loan	<p>This facility is calculated on a variable rate basis and you are offering your property as a security to the Bank.</p> <p>It offers flexibility in repayment and interest savings.</p> <p>Any excess payment received after deducting your instalment and any charges payable, is deemed as an "Advance Payment".</p> <p>Advance Payment will not be considered as prepayment and thereafter will affect your loan outstanding balance for interest calculation purposes. Interest is calculated on the Eligible Outstanding Balance, which is the difference between the loan outstanding balance (inclusive of charges) ("Outstanding Balance") and the Advance Payment or up to 30% of the Outstanding Balance, whichever is lower.</p> <p>Withdrawals are allowed from excess payment under Advance Payment with written notice.</p>
<input type="checkbox"/> Hong Leong MortgagePlus Housing Loan/ Shop Loan	<p>This facility is calculated on a variable rate basis and you are offering your property as a security to the Bank.</p> <p>It offers flexibility in repayment and interest savings by linking your loan account directly to your MortgagePlus Current Account.</p> <p>Any excess payment received after deducting your instalment and any charges payable, is deemed as "Advance Payment"; which is not considered prepayment and will affect your loan outstanding balance for interest calculation purposes. Interest is calculated on the Eligible Outstanding Balance which is the difference between the loan outstanding balance (inclusive of charges) ("Outstanding Balance") and the sum of the Advance Payment and the credit balance in your MortgagePlus Current Account or up to 70% of the Outstanding Balance, whichever is lower.</p> <p>You can repay this facility and withdraw excess payment on top of your instalment payable from your MortgagePlus Current Account at anytime.</p>
<input type="checkbox"/> Hong Leong Special Housing Loan	<p>This facility is calculated on a variable rate basis and you are offering your property as a security to the Bank.</p> <p>This facility is granted to you subject to you fulfilling all the criteria under Bank Negara Malaysia's guideline on "Lending/Financing to the Priority Sectors".</p>
<input type="checkbox"/> Hong Leong Bank My First Home Scheme	<p>This facility is calculated on a variable rate basis and you are offering your property as a security to the Bank.</p>

	<p>This facility is granted to you subject to you fulfilling all the criteria under My First Home Scheme set out by the Bank and/or Cagamas SRP Berhad.</p> <p>Any excess payment received after deducting your instalment and any charges payable, is deemed as an "Advance Payment".</p> <p>Advance Payment will not be considered as prepayment and thereafter will affect your loan outstanding balance for interest calculation purposes. Interest is calculated on the Eligible Outstanding Balance, which is the difference between the loan outstanding balance (inclusive of charges) ("Outstanding Balance") and the Advance Payment or up to 30% of the Outstanding Balance, whichever is lower.</p> <p>No redraw or top up loan is available under this facility.</p>
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**2. What do I get from this product?**

Facility 1 - <Product Name>

Item	Description								
Facility Amount	RM <Total Amount Borrowed>								
Margin of Financing	<__>%								
Repayment Period	<Approved Tenure> months								
Prescribed Rate/ Effective Lending Rate	<table border="1"> <thead> <tr> <th>Prescribed Rate</th> <th>Effective Lending Rate</th> </tr> </thead> <tbody> <tr> <td>Year 1 : BR + &lt;__&gt;%</td> <td>&lt;__&gt;%</td> </tr> <tr> <td>Year 2-3 : BR + &lt;__&gt;%</td> <td>&lt;__&gt;%</td> </tr> <tr> <td>Thereafter : BR + &lt;__&gt;%</td> <td>&lt;__&gt;%</td> </tr> </tbody> </table>	Prescribed Rate	Effective Lending Rate	Year 1 : BR + <__>%	<__>%	Year 2-3 : BR + <__>%	<__>%	Thereafter : BR + <__>%	<__>%
	Prescribed Rate	Effective Lending Rate							
	Year 1 : BR + <__>%	<__>%							
	Year 2-3 : BR + <__>%	<__>%							
Thereafter : BR + <__>%	<__>%								

Facility 2 - <Product Name>

Item	Description								
Facility Amount	RM <Total Amount Borrowed>								
Margin of Financing	<__>%								
Repayment Period	<Approved Tenure> months								
Prescribed Rate/ Effective Lending Rate	<table border="1"> <thead> <tr> <th>Prescribed Rate</th> <th>Effective Lending Rate</th> </tr> </thead> <tbody> <tr> <td>Year 1 : BR + &lt;__&gt;%</td> <td>&lt;__&gt;%</td> </tr> <tr> <td>Year 2-3 : BR + &lt;__&gt;%</td> <td>&lt;__&gt;%</td> </tr> <tr> <td>Thereafter : BR + &lt;__&gt;%</td> <td>&lt;__&gt;%</td> </tr> </tbody> </table>	Prescribed Rate	Effective Lending Rate	Year 1 : BR + <__>%	<__>%	Year 2-3 : BR + <__>%	<__>%	Thereafter : BR + <__>%	<__>%
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- Overdraft: on demand
- Base Rate (BR) is currently at <\_\_>%.

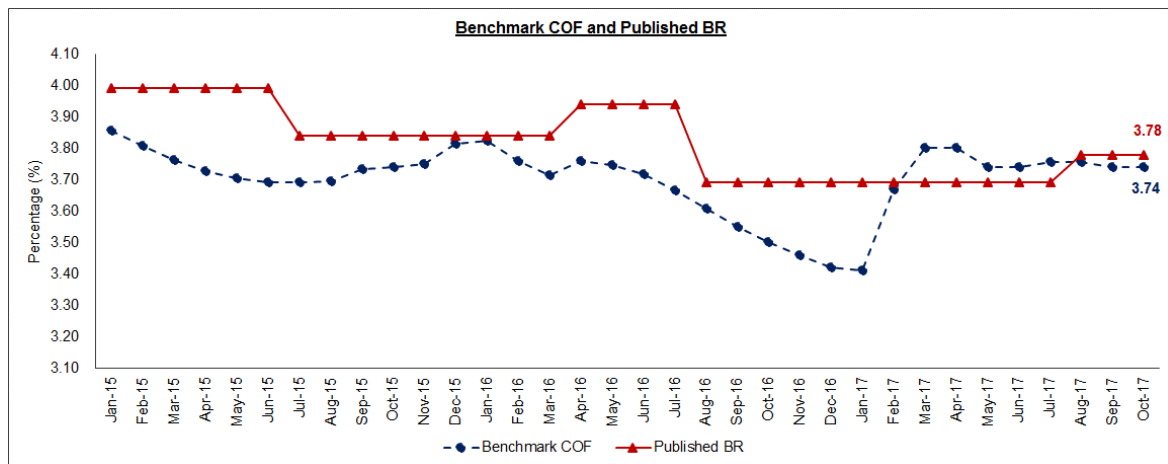
**3. What is the Base Rate (BR)?**

The BR we offer on this product is made up of two parts, our benchmark cost of funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of raising new funds in prevailing market funding conditions based on the 3-month KLIBOR and customer deposit rates.

**4. What are the possible scenarios to trigger a change in the BR?**

Our BR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as market funding conditions, future interest rate expectations and industry deposits trend.

**5. Historical benchmark COF since January 2015.**



**6. What are my obligations?**

**Important:** Your monthly repayment amount (instalment) and total repayment amount will vary if the BR changes.

Rate	Today (BR=<_>%)	If BR goes up 1%	If BR goes up 2%
<b>Facility 1 - &lt;Product Name&gt;</b>			
Monthly repayment amount	RM <xx>	RM <aa>	RM <dd>
Total interest cost at the end of <Approved Tenure> months	RM <yy>	RM <bb>	RM <ee>
Total repayment amount at the end of <Approved Tenure> months	RM <zz>	RM <cc>	RM <ff>
<b>Facility 2 - &lt;Product Name&gt;</b>			
Monthly repayment amount	RM <xx>	RM <aa>	RM <dd>
Total interest cost at the end of <Approved Tenure> months	RM <yy>	RM <bb>	RM <ee>
Total repayment amount at the end of <Approved Tenure> months	RM <zz>	RM <cc>	RM <ff>
<b>Facility 3 – Overdraft</b>			
Monthly interest payment	On demand	On demand	On demand

**Note:**

- For Overdraft Facility, you are to service interest on a monthly basis, based on your utilized amount. The interest payable amount may vary based on your utilization of the Facility. You may be subjected to repaying the full principal sum outstanding on demand as and when the Bank recalls the Facility.
- Pending commencement of the monthly repayment as provided in the table above, you are required to pay to the Bank interest (if any) payable monthly and calculated at the Prescribed Rate / Effective Lending Rate on the daily outstanding amount (or based on monthly rest where specified and applicable) from the first disbursement of the Facility or commencing from such date as advised by the Bank in writing.
- The Bank may vary your monthly repayment amount when:
  - it is insufficient to service your loan interest; or
  - when the monthly principal repayment portion is less than 10% of your monthly repayment amount; or
  - whenever a revision of your monthly repayment amount by the Bank or you is required.

## 7. What are the fees and charges I have to pay?

- **Stamp Duties**  
As per Stamp Duty Act 1949 (revised 1989).
- **Legal Fees**  
As per the scale in the Solicitors' Remuneration Order (SRO).
- **Disbursement Fees**  
Disbursement Fees including but not limited to registration fee, search fee, goods & services tax and any other taxes or levy as per the scale fees charged by the respective authorities and/or legal firms.
- **Valuation Fees**  
As per the Seventh Schedule of the scale fees set by the Board of Valuers, Appraisers and Estate Agents Malaysia.
- **Processing Fees**  
One-time fee shall be charged for approved loan. Currently all processing fees are waived.
- **Termination Fees**  
A termination fee of RM 2,000.00 shall be charged if the Facilities herein or any part thereof is cancelled by you prior to the disbursement of the Facilities for any reason whatever.
- **Miscellaneous Fees**  
Miscellaneous Fees including but not limited to online IBG payment, IBG via ATM machine, cheque processing fee and any other fees or charges that may be imposed by the respective relevant authorities from time to time with prior notice.
- **Setup Fees**  
One-time fee of RM200.00 shall be charged to MortgagePlus Housing/Shop Loan only.
- **Monthly Maintenance Fees**  
Monthly Maintenance Fees of RM10.00 shall be charged to MortgagePlus Housing/Shop Loan only throughout the tenure of the Facility.
- **Advance Payment Redrawing Service Fees**  
A non-refundable service fee of RM50.00 shall be charged upon redrawing of advance payment.

**Important:** Effective 1<sup>st</sup> April 2015, Goods and Services Tax (GST) will be imposed on fees and charges, where applicable.

## 8. How do I make my monthly repayments?

Making your monthly repayment is hassle free through:

- Standing Instructions from your Hong Leong Bank/Hong Leong Islamic Bank savings/current account
- Internet Banking ([www.hongleongconnect.my](http://www.hongleongconnect.my)) or via mobile phone app or tablet app
- Malaysian Electronic Payment System (MEPS) or Interbank Giro (IBG)\*

Alternative repayment methods include:

- ATM transfer to your financing account.
- Bank in to your financing account via Cash Deposit Machine.
- Cheque deposit to your financing account via Cheque Deposit Machine. \*\*
- Make your payment over-the-counter at the nearest branch.

**Important:**

\*Online IBG payment is only RM0.10 per transaction and IBG payment via ATM machine is RM0.30 per transaction.

\*\*Effective 2<sup>nd</sup> January 2015, RM0.50 processing fee and RM0.15 stamp duty will be charged per cheque issued.

Effective 1<sup>st</sup> April 2015, GST will be imposed on fees and charges, where applicable.

#### **9. What if I fail to fulfill my obligations?**

- Late payment charges of 1% per annum will be levied on the amount in arrears, causing the total outstanding to increase.
- If you default on any two (2) cumulative payment of interest before full disbursement or default on any two (2) cumulative monthly instalments during the duration of the Facilities, the Bank shall at its discretion be entitled to vary the Prescribed Rate, which shall thereafter comprise of the following additional interest above the Reference Rate on daily rests or such other rate as the Bank may prescribe on the outstanding balance.
  - (a) For Facilities pegged to BR : 5.35% per annum;
  - (b) For Facilities pegged to BLR : 2.50% per annum; and
  - (c) For Housing/ Shop loans pegged to KLIBOR : 4.00% per annum.
- The variation of the Prescribed Rate shall continue to apply notwithstanding that you may have, at any time after such variation, remedied such default and/or regularised your account.
- We may set-off any credit balance in any account maintained with the Bank against any outstanding balance of this Facility.
- Legal action will be taken if you fail to respond to reminder notices given by the Bank. Your property may be foreclosed and you will have to bear all the costs. You are also responsible to settle any shortfall after your property is sold.
- Legal action against you may affect your credit rating and this will cause your credit to be more difficult or expensive to you.

#### **Important:**

For more information, please refer to the attached Main Terms and Conditions.

#### **10. What if I fully settle the loan during the lock-in period?**

If you redeem or settle in full the Facilities within the first <36 or 60> months the following settlement charges will apply:

For Residential Property- 3% on 90% of the total approved Facilities limit for the 1<sup>st</sup> 36 months from 1<sup>st</sup> release, and 80% of the total approved Facilities limit for month 37 to 60 (if applicable).

For Non Residential Property- 3% on 85% of the total approved Facilities limit for the 1<sup>st</sup> 36 months from 1<sup>st</sup> release, and 70% of the total approved Facilities limit for month 37 to 60 (if applicable).

The early redemption/ settlement fee reflects the costs incurred or to be incurred by the Bank as a result of the early settlement which may include the cost of fund, cost of capital, liquidity cost, statutory reserve cost, discounted interest rate, and other cost, as well as any legal fees, stamp duty and/or valuation fees which have been incurred under the terms of the Facilities.

The early redemption/ settlement fee is payable at the point of redemption.

#### **11. Do I need any insurance / takaful coverage?**

- Mortgage Decreasing Term Assurance (MDTA)/ Mortgage Reducing Term Takaful (MRTT) is optional unless is compulsory due to promotional criteria as stated in Letter of Offer.
- However, you are encouraged to take up the MDTA/ MRTT to protect your family from losing the property due to unforeseen circumstances.
- Where the MDTA/MRTT is financed by the Bank, the Bank shall only release the premium/takaful contribution either with the first loan release towards financing of the Property(ies) or at any time thereafter at the Bank's absolute discretion subject to the following:
  - (a) the Bank having received the letter of acceptance/letter of offer issued by an insurance/takaful company which is acceptable to the Bank;
  - (b) the Bank has not received any notification from the insurance/takaful company of your rejection and/or appeal of the letter of offer;
  - (c) you/insured have/has not deceased prior to the first release of the loan; and
  - (d) in the event the letter of acceptance/letter of offer issued by the insurance/takaful company expires on or before the first loan release, you will submit a fresh proposal form for evaluation and a fresh letter of acceptance/letter of offer shall be procured by you.
- The coverage of the MDTA/MRTT shall be effective upon receipt of the full premium/takaful contribution (including any loading or excess to the original premium/takaful contribution quoted) by the insurance/takaful company.

#### 12. What do I need to do if there are changes to my contact details?

It is important that you inform the Bank of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please contact the Bank at +603-7626 8899 or visit any of our branches nationwide.

#### 13. Where can I get assistance and redress?

- If you have any difficulties in making repayments, you should contact the Bank earliest possible to discuss repayment alternatives. You may contact our Mortgage Collection Centre at:  
Tel: +603-7952 3388 Fax: +603-7873 8228
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara to provide free services on money management, credit counseling, financial education and debt restructuring for individuals. You can contact AKPK at:  
Tingkat 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.  
Tel: +603-2616 7766 E-mail: [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)
- If you wish to complain on the products or services provided by the Bank, you may contact the Bank at:  
Hong Leong Bank Berhad, Tel: +603-7626 8899 E-mail: [HLOnline@hlbb.hongleong.com.my](mailto:HLOnline@hlbb.hongleong.com.my)
- If your query or complaint is not satisfactorily resolved by the Bank, you may contact:  
Bank Negara Malaysia LINK or TELELINK at: Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.  
Tel: 1-300-88-5465 Fax: +603-2174 1515 E-mail: [bnmtelexlink@bnm.gov.my](mailto:bnmtelexlink@bnm.gov.my)

#### 14. Where can I get further information?

Should you require additional information about taking a housing loan, please refer to the *bankinginfo* booklet on "Housing Loans", available at all our branches and the [www.bankinginfo.com.my](http://www.bankinginfo.com.my) website.

#### 15. Other loan packages available

- Hong Leong Housing Loan
- Hong Leong MortgagePlus Housing Loan
- Hong Leong Shop Loan
- Hong Leong MortgagePlus Shop Loan
- Hong Leong Special Housing Loan
- Hong Leong Bank My First Home Scheme

**IMPORTANT NOTE: YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR PROPERTY FINANCING.**

The information provided in this disclosure sheet is valid as at <Date LO printed>