Frequently Asked Questions – Hire Purchase (Amendment) Act [HPAA]

Question	Answer
Is it true the government has passed a new law to change the old Hire Purchase loan interest calculation?	Yes, that is correct. The government has announced the **Hire Purchase (Amendment) Bill 2025**, which aims to introduce a fairer interest calculation method for consumers. It is a new development, and we are currently reviewing the official details.
What is the new amendment to the Hire Purchase Act ("HP Act") or Hire Purchase (Amendment) Bill 2025?	The key change is to replace Rule of 78 with the reducing balance method for calculation of terms charges for fixed rate hirepurchase agreements.
Does this new law mean my current Hire Purchase loan interest or monthly payment will change right now?	No, we want to assure you that **these changes will not impact your current loan account or monthly repayment amount immediately.** There are no changes to your current loan.
When exactly will these new rules take effect?	Hire Purchase (Amendment) Act tentatively will be gazetted in Q1 2026. New Hire Purchase agreements which adopt reducing balance method tentatively will be effective upon the expiry of 18 months once HPAA is gazetted. We do not have an exact date yet. We will officially communicate the full details, including the exact effective date, to all our customers once they are finalized.
What is the advantage of the reducing balance method?	The reducing balance method allows more savings for customers who make early settlement of their hire-purchase agreements. Customers enjoy improved loan calculations that ensure they only pay interest on the amount they still owe.
Are Islamic hire-purchase agreements included?	Yes, provided they apply the Rule of 78 for computation of terms charges.
How does the reducing balance method work?	Interest is calculated monthly only on the *outstanding balance* of your loan. It is similar with housing loans. As you pay down your principal, the amount of interest you pay each month also decreases. The total interest cost for full loan tenure for both Rule of 78 and reducing balance method is the same.
What are the other amendments of the HP Act?	• All hire-purchase agreement will start adopting the use of Effective Interest Rate ("EIR") to replace the current Annual Percentage Rate (APR). The use of EIR will allow customers to perform comparisons of different loan packages and understand the true cost of borrowing. • Adoption of digital and electronic signatures for execution or variation of the hire-purchase agreement can be done. • The documents and notices under HP Act can be issued to the customers via electronic channels.

Soalan Lazim - Akta Sewa Beli (Pindaan) [HPAA]

Question	Answer
Adakah benar kerajaan telah meluluskan undang-undang baharu untuk mengubah pengiraan faedah pinjaman Sewa Beli yang lama?	Ya, itu adalah benar. Kerajaan telah mengumumkan **Rang Undang-Undang Sewa Beli (Pindaan) 2025**, yang bertujuan untuk memperkenalkan kaedah pengiraan faedah yang lebih adil bagi pengguna. Ia adalah perkembangan baharu, dan kami sedang meneliti butiran rasminya.
Apakah pindaan baharu kepada Akta Sewa Beli ("Akta HP") atau Rang Undang-Undang Sewa Beli (Pindaan) 2025?	Perubahan utama adalah menggantikan "Rule of 78" (Peraturan 78) dengan kaedah baki berkurangan bagi pengiraan caj terma untuk perjanjian sewa beli kadar tetap.
Adakah undang-undang baharu ini bermaksud faedah pinjaman Sewa Beli atau bayaran bulanan semasa saya akan berubah sekarang?	Tidak, kami ingin memberi jaminan bahawa **perubahan ini tidak akan memberi kesan kepada akaun pinjaman semasa** atau **jumlah bayaran balik bulanan anda dengan serta-merta**. Tiada perubahan pada pinjaman semasa anda.
Bilakah sebenarnya peraturan baharu ini akan berkuat kuasa?	Akta Sewa Beli (Pindaan) dijangka akan diwartakan pada Suku Pertama 2026. Perjanjian Sewa Beli baharu yang menggunakan kaedah baki berkurangan dijangka akan berkuat kuasa selepas tamat tempoh 18 bulan sebaik sahaja HPAA diwartakan. Kami belum mempunyai tarikh yang tepat. Kami akan memaklumkan butiran penuh secara rasmi, termasuk tarikh kuat kuasa yang tepat, kepada semua pelanggan kami setelah ia dimuktamadkan.
Apakah kelebihan kaedah baki berkurangan?	Kaedah baki berkurangan membolehkan lebih banyak penjimatan bagi pelanggan yang membuat penyelesaian awal perjanjian sewa beli mereka. Pelanggan menikmati pengiraan pinjaman yang lebih baik yang memastikan mereka hanya membayar faedah ke atas jumlah yang masih terhutang.
Adakah perjanjian sewa beli Islamik termasuk sekali?	Ya, asalkan mereka menggunakan "Rule of 78" untuk pengiraan caj terma.
Bagaimanakah kaedah baki berkurangan berfungsi?	Faedah dikira setiap bulan hanya ke atas baki tertunggak pinjaman anda. Ia sama seperti pinjaman perumahan. Semakin anda membayar pokok pinjaman, jumlah faedah yang anda bayar setiap bulan juga berkurangan. Jumlah kos faedah untuk tempoh pinjaman penuh bagi kedua-dua "Rule of 78" dan kaedah baki berkurangan adalah sama.
Apakah pindaan lain dalam Akta HP?	• Semua perjanjian sewa beli akan mula menggunakan Kadar Faedah Efektif ("EIR") untuk menggantikan Kadar Peratusan Tahunan (APR) semasa. Penggunaan EIR akan membolehkan pelanggan membuat perbandingan pakej pinjaman yang berbeza dan memahami kos sebenar pinjaman. • Penerimaan tandatangan digital dan elektronik untuk pelaksanaan atau variasi perjanjian sewa beli boleh dilakukan. • Dokumen dan notis di bawah Akta HP boleh dikeluarkan kepada pelanggan melalui saluran elektronik.