

FAQs: Instalment Revision for Mortgage Loan/Property Financing-i Accounts

Q1: Why did I receive a notice from the Bank advising me that my instalment amount will be revised to a higher amount starting 04/08/2022?

A1: Your Instalment is revised due to the combination of 2 factors:

- (i) Change of Reference Rate: BR/IBR/BLR/IFR on 17 May 2022 (+0.25%) & 12-month FDR on 23 May 2022 (+0.20%)
- (ii) Change of Reference Rate: BR/IBR/BLR/IFR on 12 July 2022 (+0.25%) & /12-month FDR on 18 July 2022 (+0.25%)

Hong Leong Bank/Hong Leong Islamic Bank has adjusted the Reference Rate as follows:

Reference Rates	17/5/2022	12/07/2022
Base Rate (BR)/Islamic Base Rate (IBR)	2.88% p.a.	3.13% p.a.
Base Lending Rate (BLR)/Islamic Financing Rate (IFR)	5.89% p.a.	6.14% p.a.

Reference Rates	23/5/2022	18/07/2022
12-month Fixed Deposit/Fixed Deposit-i Rate (FDR)	1.80% p.a.	2.05% p.a.

And in line with these adjustments, we have reviewed your Mortgage/Property Financing-i account and revised your instalment accordingly so that your account may be paid off in full within the remaining tenure of loan/financing.

Q2: I have existing loan/financing with Hong Leong Bank/Hong Leong Islamic Bank. Will the increase in reference rates affect the interest rate/effective profit rate of my loan/financing account?

A2: Yes. If your existing loan/financing account is pegged to the reference rate, the interest rate/effective profit rate of your account was revised in May and July 2022.

Q3: I noticed that my instalment amount has been revised. Why didn't I receive the notification letter from the Bank to inform me on this instalment revision?

A3: The notification letter on instalment revision was delivered to you by normal mail in July 2022 based on the correspondence address provided by you. If you have changed your correspondence address, you are advised to go to our nearest branch to update your correspondence address.

Q4: How is my revised instalment calculated?

A4: Your revised instalment is calculated based on:

- (i) your loan/financing outstanding balance as at 18 July 2022;
- (ii) the remaining tenure; and
- (iii) the current effective interest rate/effective profit rate as at 18 July 2022.

The revised instalment is calculated based on a universal standard loan/financing amortization formula.

Q5: I have several loan/financing accounts with your Bank. Why did I receive only one notification letter from the Bank? At the same time, I have received SMS for non-revision of instalment for my other accounts.

A5: If you did not receive any notification letter for your other accounts, it means that your other accounts are excluded from instalment revision during this round and hence instalment adjustment is not required. We have notified you on your non-revision of your instalment.

FAQs: Instalment Revision for Mortgage Loan/Property Financing-i Accounts**Q6: Why is my instalment not revised?**

A6: Your instalment is not revised due to the following reasons:

- 1) Your current instalment is higher or equal to the revised instalment amount.
- 2) The instalment amount change is less than RM10.00 from your current instalment amount.
- 3) Your account is matured.
- 4) Your account is with overdue payments.
- 5) Your account is under special payment arrangement with the Bank
- 6) Your account's remaining tenure is less than 12 months to maturity.
- 7) Your account's principal balance is equal to RM0.00 or less.
- 8) Your account is under payment arrangement with AKPK

However, an account may be subject to more than 1 reason for non-revision of instalment.

Important Notes:

When your account instalment is not revised, the implications are as below: -

- a) Changes to the total cost of borrowing/financing incurred as there will be additional interest/profit amount to be repaid
- b) Changes to the tenure of the retail loan/financing facility (If your account is subjected to extension of tenure).
- c) In an event of extension of tenure, there will be protection gaps on your insurance/takaful coverage. (Example: Original Tenure: 20 years with 20 years Insurance/Takaful Coverage. If tenure is revised to 25 years, customer will have remaining tenure of 5 years without Insurance/Takaful protection).

If you would like to revise your instalment, you may submit your request at the nearest branch or via our Contact Centre.

Q7: The BR/IBR and BLR/IFR were increased twice. Why is there only 1 revision of instalment?

A7: For the increase of BR/IBR, BLR/IFR on 17 May 2022, 12-month FDR on 23 May 2022, BR/IBR, BLR/IFR/ on 12 July 2022, and 12-month FDR on 18 July 2022, we have combined all the changes into a single instalment revision effective on 4 August 2022.

Please refer to the below illustration for better understanding:

Loan/financing outstanding balance : RM350,000
Remaining tenure : 20 years

	Interest/Effective Profit Rate	Instalment Amount
As at 30 Apr 2022	3.50%	RM2,031
As at 17 May 2022	3.75%	RM2,076
As at 12 Jul 2022	4.00%	RM2,122

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Q8: I would like to pay a higher instalment amount than the revised amount. Can I request the Bank for the higher instalment amount?

A8: Yes. You are required to fill up and sign a Service Request Form (SRF) to maintain the higher instalment amount. You can request/submit the SRF at the nearest branch or our Contact Centre.

Customer may also request to retain a higher instalment amount and retain the amount in future instalment revision provided that the revised amount is less than this requested amount.

Q9: My revised instalment amount is higher than my old instalment amount. I would like to pay my old instalment amount. Can I request the Bank to maintain my old/lower instalment amount?

A9: Yes. If you think you might face difficulties with making regular payment and need payment assistance, Please reach out to us now so we can help you based on your individual situation.

You can reach out to us by calling our hotlines, emails or visiting our Branches.

- HLB Customer Collections: 603-7959 1888 (Mon-Fri, 8:45 a.m.-7:00 p.m.) or via email at CollsCustomerFeedback@hlbb.hongleong.com.my .
- HLB Contact Centre: 603-7626 8899 (Mon-Sat 9:00 a.m. – 6:00 p.m.)

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