

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

Q1 : Why did I receive a notice/SMS from the Bank advising me that my instalment amount will be revised starting 04/09/2025?

A1 : Your Instalment is revised due to the change of Reference Rates in line with the latest OPR change. Hong Leong Bank/Hong Leong Islamic Bank has adjusted the Reference Rates as follows:

Reference Rates	Effective Date of 14/07/2025
Standardised Base Rate (SBR)	2.75% p.a.
Base Rate (BR)/Islamic Base Rate (IBR)	3.63% p.a.
Base Lending Rate (BLR)/Islamic Financing Rate (IFR)	6.64% p.a.
12-month Fixed Deposit (FDR)	2.10% p.a.

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 an existing loan/financing with Hong Leong Bank/Hong Leong Islamic Bank. Will the decrease of the Reference Rates affect the effective interest/profit rate of my loan/financing account?

A2 : Yes. If your existing loan/financing account is pegged to the abovementioned Reference Rates, the effective interest/profit rate of your account was revised on 14/07/2025.

Q3 : Why was my instalment amount revised upwards even though the interest rate was revised downwards?

A3 : While the interest/profit rate has been lowered by the OPR cut, it's being compared to the much lower rate from when your loan/financing was first approved.

The main reason for this increase is an adjustment that met these conditions:

- 1. Approved at a historic low rate:** Your loan/financing was likely approved between 2019-2023 when rates were at a record low than now.
- 2. Account in "Progressive Release":** While your property was under construction, you only paid for the interest/grace period profit on your loan/financing, which was not an instalment. Because of this, your account didn't undergo any instalment revisions when OPR rates were raised multiple times in 2022 & 2023.

This recent review is the first time your monthly instalment has been adjusted since your loan/financing is fully disbursed i.e. your property is now completed and you are now paying full instalment (interest + principal).

The new instalment ensures your loan/financing will be paid off on time within its original tenure as per the agreed terms stated in the letter of offer.

Q4 : Can you illustrate my upward revision of the instalment?

A4 : Please refer to the sample account as for further details:

The financing facility was approved on 22/05/2022 with a financing amount of RM531,238.00 with a tenure of 420 months (35 years). At the time, the Bank's Base Rate (BR) was at 2.88%. Hence, the initial monthly instalment was RM2,060.00, calculated based on the Prescribed Rate of 3.05% = BR (2.88%) + 0.17%. This amount has been stated in the LO as follows:

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FACILITY 1	Term Loan		
Facility Amount	: Principal Facility	RM	508,500.00
	: MRTT Financed	RM	22,738.00
	: Total	RM	531,238.00
Prescribed Rate (Daily Rest)	: BR plus 0.17% p.a.		
	The interest rate for the first year shall commence from the date of first drawdown or from the expiry of three (3) months from the date of this Letter, whichever is earlier ("Commencement Date").		
Repayment Period	: 420 months		
Monthly Repayment Amount	: RM2,060.00		
	with a final instalment of such amount as will be sufficient to settle in full the total outstanding due under the Facilities (applicable to all other housing loan packages except housing loan with bullet payment)		
	The above Monthly Repayment Amount may be subject to changes as and when there are any interest rate changes or as and when the bank performs the portfolio instalment revision exercise, with prior notice to you.		
Base Rate	: Bank's Base Rate (BR) as at the date of this letter is 2.88% p.a and may vary from time to time.		

The account entered a progressive release phase from 12/01/2023 - 28/05/2024, during which only interest was serviced. It is important to note that during this phase, this account was excluded from the Instalment Revision Exercise due to OPR increase in May 2023 because it was still in the interest-servicing period.

Subsequently, the facility was fully disbursed on 28/05/2024 & the full initial monthly instalment of RM2,060.00 commenced from 04/06/2024.

Following BNM's announcement on the OPR Change by 0.25% in July 2025, the account's interest/profit rate was revised to 3.80% = BR (3.63%) + 0.17%. This revision, however, resulted in an upward adjustment of the monthly instalment amount to RM2,312.00 effective 04/09/2025. The revised amount is calculated based on the following:

- Outstanding Balance: RM527,585.31
- Remaining Tenure: 405 months (420 months of original tenure - 15 months of payments)
- New Prescribed Rate: 3.80%

Please be informed that this revised instalment amount is calculated to ensure the facility is paid off by the maturity date.

Q5 : I noticed that my instalment amount has been revised. Will I receive any notification from the Bank to inform me on this revision?

A5 : On August 2025, a notification letter of instalment revision was sent to you via email if you are a subscriber to the e-statement. Otherwise, the notification letter was delivered to you by normal mail based on the correspondence address provided by you.

If you have changed your correspondence address, please visit any nearest branch to update your correspondence address. Please inform the service staff that you would like the update of address to be applicable for your loan/financing account, by providing the account number to facilitate the update.

Q6 : How is my revised instalment calculated?

A6 : Your revised instalment is calculated based on:

- (i) your loan/financing outstanding balance as at 11/08/2025;
- (ii) the remaining tenure; and
- (iii) the current effective interest/profit rate as at 11/08/2025.

The revised instalment is calculated based on a universal standard loan/financing amortisation formula as stated below:

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$$EMI = P \times \frac{r(1+r)^n}{(1+r)^n - 1}$$

where:

P = loan/financing outstanding balance,

r = interest/profit rate per month

n = number of monthly instalments i.e. remaining tenure.

Q7 : I have multiple loan/financing accounts with the Bank. Could you clarify why I received only one notification letter, while for my other accounts, I received an SMS stating that the instalment remains unchanged?

A7 : If you did not receive a notification letter for your other accounts, it means they are excluded from this round of instalment revision and the instalment amount to remain the same. We have notified you of this non-revision through an In-App Push Notification (for registered Hong Leong Connect customers) or via SMS (for other customers).

Q8 : Why is my instalment not revised?

A8 : Your instalment is not changed due to the following reasons:

1. Interest-servicing accounts.
2. Fixed Rate pricing accounts.
3. The instalment amount change is less than RM10.00 from your current instalment amount.
4. The account is less than 12 months of the maturity date.
5. The account is already matured.
6. The account is with overdue payments of 6 months or more.
7. The account is under special payment arrangement with the Bank (Ex: R&R, PRAP, etc.)
8. The account is under payment arrangement with AKPK.
9. The customer has a principal balance equal to RM0.00 or less.
10. The accounts which the monthly instalment was set at a certain amount based on customer's request via SRF (only if the system auto-revised revised instalment amount is lower than the requested amount).

However, an account may be subject to multiple reasons for the non-revision of its monthly 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/refinancing facility (If your account is subject 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 Insurance/Takaful Coverage. If tenure is revised to 25 years, you will have remaining tenure of 5 years without Insurance/Takaful protection).

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

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Q9 : Please illustrate the revision of the instalment amount based on the latest effective interest/profit rate?

A9 : Please refer to the below illustration for a better understanding:

Loan/financing outstanding balance: RM350,000

Remaining tenure: 20 years

	Effective Interest/Profit Rate	Instalment Amount
As at 13/06/2023	SBR (3.00%) + 1.75% = 4.75%	RM2,262
As at 14/07/2025	SBR (2.75%) + 1.75% = 4.50%	RM2,215

Q10 : I would like to pay a higher instalment amount than the revised amount. What should I do?

A10 : You may do so by filling up and signing a Service Request Form (SRF) to request to pay the higher instalment amount. Please submit your request at the nearest branch or call our Contact Centre.

You 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.

Q11 : My revised instalment amount is higher than my old instalment amount. I would like to pay my old instalment amount. What should I do?

A11 : 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 may submit your request via:

1. Website: HLB/HLISB Rescheduling & Restructuring Plans
<https://www.hlb.com.my/en/personal-banking/home/rescheduling-and-restructuring-plans.html?icp=hlb-en-home-txt-quicklink>
2. Hotlines, emails or visiting our Branches
 - HLB Customer Collections: 603-7959 1888 (Monday to Thursday: 8:45am – 5:45pm & Friday: 8:45am – 4:45pm) or via email at CollsCustomerFeedback@hlbb.hongleong.com.my
 - Interactive Phone Banking: 603-7626 8899 (Monday to Saturday, 9:00am – 9:00pm)