

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

Q1: Why did I receive a notice/SMS from the Bank advising me that my installment amount will be revised to a higher amount starting 04/02/2023?

A1: Your Installment is revised due to:

Change of Reference Rate: SBR/BR/IBR/BLR/IFR on 8 November 2022 (+0.25%). 12-month FDR on 15 November 2022 (+0.25%) & 9 December 2022 (-0.10%). The adjustment in rates is in line with the latest OPR change.

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

Reference Rates	08/11/2022
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.

Reference Rates	15/11/2022	09/12/2022
12-month Fixed Deposit (FDR)	2.50% p.a.	2.40% p.a.

And in line with these adjustments, we have reviewed your Mortgage/Property Financing-i account and revised your installment 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: Reference Rates: SBR/BR/IBR/BLR/IFR/KLIBOR

Yes. If your existing loan/financing account is pegged to the mentioned reference rate, the interest rate/effective profit rate of your account was revised in November 2022.

Reference Rates: FDR

Yes. If your existing loan/financing account is pegged to the mentioned reference rate, the interest rate/effective profit rate of your account was revised in November & December 2022.

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

A3: On January 2023, the notification letter on installment revision was sent to you via email if you are subscribed to the e-statement. Otherwise, the notification letter was delivered to you by normal mail in January 2023 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. Please inform the service staff that you would like the update of address to your loan account & account number.

Q4: How is my revised installment calculated?

A4: Your revised installment is calculated based on:

- (i) your loan/financing outstanding balance as at 12 January 2023;
- (ii) the remaining tenure; and,
- (iii) the current effective interest rate/effective profit rate as at 12 January 2023. The revised installment 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 rate per month

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

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 installment 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 installment revision during this round and hence installment adjustment is not required. We have notified you on your non-revision of your installment via SMS.

Q6: Why is my installment not revised?

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

- 1) Your current installment is higher or equal to the revised installment amount.
- 2) The installment amount change is less than RM10.00 from your current installment amount.
- 3) Your account is matured.
- 4) Your account is with overdue payments.
- 5) Your account is under a 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 installment.

Important Notes:

When your account installment 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, customer will have remaining tenure of 5 years without Insurance/Takaful protection).

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

Q7: Please show me how the installment amount is revised based on the latest effective interest/profit rate?

A7: Please refer to the below illustration for a better understanding:

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

	Interest/Effective Profit Rate	Installment Amount
As at 13 Sept 2022	4.25%	RM2,168
As at 12 Jan 2023	4.50%	RM2,215

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

A8: Yes. You may do so; you are required to fill up and sign a Service Request Form (SRF) to maintain the higher installment amount. Please submit your request at the nearest branch or call our Contact Centre.

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

Q9: My revised installment amount is higher than my old installment amount. I would like to pay my old installment amount. Can I request the Bank to maintain my old/lower installment 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 (Monday to Thursday, 8:45 am – 5:45 pm & Friday, 8:45 am – 4:45 pm) or via email at CallsCustomerFeedback@hlbb.hongleong.com.my.
- HLB Contact Centre: 603-7626 8899 (Monday to Saturday, 9:00 am – 6:00 pm)

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