

**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 to a lower amount starting 01/10/2020?**

A1: Your Instalment is revised due to the combination of 3 factors:

- (i) End of Moratorium (6 months from April 2020 to September 2020)
- (ii) Change of Reference Rate: BR/IBR/BLR/IFR/12-month FDR on 12 May 2020 (-0.50%)
- (iii) Change of Reference Rate: BR/IBR/BLR/IFR/12-month FDR on 10 July 2020 (-0.25%)

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

Reference Rates	12/5/2020	10/07/2020
Base Rate (BR)/Islamic Base Rate (IBR)	2.88% p.a.	2.63% p.a.
Base Lending Rate (BLR)/Islamic Financing Rate (IFR)	5.89% p.a.	5.64% p.a.
12-month Fixed Deposit/Fixed Deposit-i Rate (FDR)	1.85% p.a.	1.60% 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 decrease 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 2020.

**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 September 2020 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 17 September 2020;
- (ii) the remaining tenure; and
- (iii) the current effective interest rate/effective profit rate as at 17 September 2020.

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?**

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 will continue to review all your accounts as and when an adjustment is required and notify you accordingly.

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**Q6: The BR/IBR and BLR/IFR were reduced twice. Why is there only 1 revision of instalment?**

A6: Your account was Automatically Opt-In for Moratorium, therefore, you are not required to make any payment for your account. The Bank has planned to revise the instalment in October 2020 when the moratorium ends.

For the reduction of BR/IBR, BLR/IFR and FDR on 12 May 2020 and 10 July 2020 and at the end of the Moratorium, we have combined all the changes into a single instalment revisions effective on 1 October 2020.

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	
<b>As at 30 Apr 2020</b>	4.25%	RM2,168	
<b>As at 12 May 2020</b>	3.75%	RM2,076	
<b>As at 10 Jul 2020</b>	3.50%	RM2,031	
<b>As at 1 Oct 2020</b>	3.50%	RM2,031 If you have been paying the instalment during the moratorium.	RM2,105 If you have <b>NOT</b> made any payment during moratorium period, with RM6578.08 Deferred Interest added into the outstanding balance. For Islamic facility, any deferred profit will not be compounded but will be set off against any instalment paid immediately upon commencement of instalment, until the deferred profit is fully settled.

**If you DID NOT make any payment during the Moratorium period, the instalment amount of your account will be revised upwards due to the increased in outstanding balance after the addition of Deferred Interest into your account's Outstanding balance (not applicable for Islamic facility).**

**Q7: My revised instalment amount is lower than my old instalment amount. I would like to pay my old instalment/higher amount. Can I request the Bank to maintain my old instalment/higher amount?**

A7: Yes. You are required to fill up and sign a Service Request Form (SRF) to maintain the old/higher instalment amount. You can request/submit the SRF at the nearest branch or our Contact Centre.

**However, we would like to bring to your attention that in the event of future instalment revision (whether upwards or downwards) due to change in the reference rate (BR/IBR/BLR/IFR/FDR), this may again affect your old instalment amount maintained.**

Assuming it is a downwards revision and you still wish to maintain the old/higher instalment amount, you will need to submit a fresh request to the Bank.

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**Q8: 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?**

**A8:** Yes. If you think you might face difficulties with making regular payment and need payment assistance come 1 October 2020, 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.)
- HLB Contact Centre: 603-7626 8899 (Mon-Sat 9:00 a.m. – 9:00 p.m.)
- For Individual customers, please email to: [paymentrelief@hlbb.hongleong.com.my](mailto:paymentrelief@hlbb.hongleong.com.my)
- For SME customers, please email to: [sme@hlbb.hongleong.com.my](mailto:sme@hlbb.hongleong.com.my)

You may also submit your request via our corporate website at:

<https://www.hlb.com.my/en/personal-banking/home/loan-financing-payment-relief-application.html?icp=hlb-en-others-cta-txt-invform-5>

To find out more about HLB Payment Relief Plan, please refer to our corporate website and FAQ at:

<https://www.hlb.com.my/en/personal-banking/news-updates/hlb-payment-relief-assistance-plan.html?icp=hlb-en-home-ovbanner-img-relief>

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