

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 higher amount starting 04/07/2023?

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	09/05/2023
Standardised Base Rate (SBR)	3.00% p.a.
Base Rate (BR)/Islamic Base Rate (IBR)	3.88% p.a.
Base Lending Rate (BLR)/Islamic Financing Rate (IFR)	6.89% p.a.

Reference Rates	04/04/2023
12-month Fixed Deposit (FDR)	2.30% 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 an 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 abovementioned reference rates, the effective interest/profit rate of your account was revised on 09/05/2023.

Reference Rates: FDR

Yes. If your existing loan/financing account is pegged to the mentioned reference rate, the effective interest/profit rate of your account was revised on 04/04/2023.

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: On June 2023, the 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 in June 2023 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 account, please provide the loan account number to facilitate the update.

FAQs: Instalment Revision for Mortgage Loan/Property Financing-i Accounts**Q4: How is my revised instalment calculated?**

A4: Your revised instalment is calculated based on:

- (i) your loan/financing outstanding balance as at 13/06/2023;
- (ii) the remaining tenure; and,
- (iii) the current effective interest rate/effective profit rate as at 13/06/2023.

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

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

where;

P = loan/financing outstanding balance,

r = interest/profit rate per month

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

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 that my instalment will not change 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 the instalment will not change. We have notified you about the non-revision of your instalment via SMS.

Q6: Why is my instalment not revised?

A6: Your instalment is not changed 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 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 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, customer 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.

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

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

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

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

	Interest/Effective Profit Rate	Instalment Amount
As at 12/01/2023	4.50%	RM2,215
As at 13/06/2023	4.75%	RM2,262

Q8: I would like to pay a higher instalment amount than the revised amount. What should I do?

A8: 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.

Q9: My revised instalment amount is higher than my old instalment amount. I would like to pay my old instalment amount. What should I do?

A9: 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 at our 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>

You may also 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 CollsCustomerFeedback@hlbb.hongleong.com.my.
- HLB Contact Centre: 603-7626 8899 (Monday to Saturday, 9:00 am – 6:00 pm)

E
N
D