

FAQs for Microenterprise Category HLB/HLISB Payment Relief Assistance Plans

No	Question	Answer
1.	Who can apply for the Microenterprise Payment Relief Assistance Plans (MPRAP)?	<p>Any customer who is defined as a microenterprise according to the Guideline on SME Definition issued by SME Corporation Malaysia. This would include business entities across all sectors with:-</p> <ul style="list-style-type: none"> • Sales turnover of less than RM300,000; or • Less than 5 full-time employees. <p>This includes Microenterprises that are not allowed to operate during the Movement Control Order (locked-down sectors as per MKN's definition - https://asset.mkn.gov.my/web/wp-content/uploads/sites/3/2019/08/SOP-AM-PKP-Seluruh-Negara-Kemaskini-31-Mei-2021.pdf)</p> <p>Application is open until 31 Dec 2021.</p>
2.	How can I apply for this?	<p>You may apply for the MPRAP at our website http://www.hlb.com.my/relief / at any of our branches / contact your Relationship Manager.</p>
3.	What kind of facilities are eligible under the MPRAP?	<p>MPRAP is extended to eligible microenterprises financing valued up to RM150,000 for the following facilities:-</p> <ol style="list-style-type: none"> 1) Term Loan / term financing-i 2) Term loan / term financing-i that have been converted from trade bills, Bank Guarantee, or overdraft facilities 3) Hire purchase loan 4) Industrial hire purchase (IHP) / industrial hire purchase-i (IHP-i) <p>Should you require payment assistance for facilities or loan/financing amount other than those stated above, you may apply under the HLB/HLISB PRAP through your Relationship Manager / the Bank.</p>
4.	What kind of payment assistance plans are available under the MPRAP?	<p>Under MPRAP, eligible customers can choose:</p> <ol style="list-style-type: none"> 1) 3-month deferment of instalments; OR 2) 50% reduction in instalments for 6 months <p>Please note that the interest / profit will continue to accrue on deferred amounts for the targeted payment assistance.</p> <p>For Islamic Financing, profit will only be charged on the principal portion of the deferred amount</p>

No	Question	Answer
5.	What if I am not eligible to enroll into MPRAP, will there be any other alternative plan that the bank can assist me with?	<p>We understand your concern and we're here to help you based on your particular situation via the HLB/HLISB PRAP.</p> <p>If we are unable to help, or you require an independent assessment of your situation, you can contact either of the following agencies that provide financial advisory for SMEs and / or Corporates:</p> <ol style="list-style-type: none"> 1) Khidmat Nasihat Pembiayaan (KNP) For enquiry please call 603-7880 0088 or visit www.myknp.com.my 2) Small Debt Resolution Committee (SDRC) under AKPK For enquiry please call 03-2626 7766 3) Corporate Debt Restructuring Committee (CDRC) For enquiries please call 603-2265 0878 or visit www.cdrc.my
6.	I am currently on the HLB/HLISB existing PRAP plan. Do I have to switch to this MPRAP?	<p>No, you may continue with your current HLB/HLISB PRAP. You do not have to switch to the MPRAP.</p> <p>The only difference between the HLB/HLISB PRAP and the MPRAP is there is no documentation required during application for customers who is defined as a microenterprise according to the Guideline on SME Definition issued by SME Corporate Malaysia.</p>
7.	If the scale of my business have changed and now qualifies as a microenterprise, would I be eligible for MPRAP?	Yes, you may apply for MPRAP simply by completing a self-declaration form available on our website.
8.	What can I do if I still need assistance after my MPRAP ends in 3/6 months?	If you foresee that you might continue to face difficulties, please talk to your Relationship Manager / the Bank before the end of the 3/6 month period so we can work out a plan that is suited for your needs and situation.
9.	How will this impact my credit rating in CCRIS?	Your account will not be reported as <i>Rescheduled and Restructured (R&R)</i> in CCRIS for loans/financing approved for PRAP.
10.	If my financial condition is not affected, can I apply for this MPRAP?	<p>No, as you have not been impacted by COVID-19, your loan/financing remains unchanged.</p> <p>Please ensure that you maintain your payments up to date and future payments made when due as your ability to repay / pay your loans / financing has not been impacted.</p>
11.	Is there any processing fee that will be charged to my account if I apply for MPRAP?	No processing fee will be charged. However, an RM10.00 Stamping Fee will be charged to your account for the stamping of your Supplementary Letter of Offer (SLO).

No	Question	Answer
12.	Do I need to sign any Supplementary Letter of Offer (SLO)?	<p>Yes, where there is an extension in the loan/ financing tenure, you will need to.</p> <p>We will send you a SLO in order to indicate the revised terms. We will do this in a simple manner and utilise digital tools to expedite the execution process.</p> <p>Your Relationship Manager / The Bank will contact you via phone / email you the copy of the SLO for your required action.</p> <p>Do look out for it in your email inbox as well as checking your 'junk' mailbox as the email may have been directed there.</p>
13.	Is the Guarantor required to sign the Supplementary Letter of Offer?	The Guarantor who will be signing the Supplementary Letter of Offer would be the appointed person stated in the Board Resolution or Partnership Mandate, whichever is relevant. A copy of the Board Resolution or Partnership Mandate is to be provided to the Bank.
14.	How do I know that my application is being reviewed by the Bank?	For SME Banking customers, you will be contacted by your Relationship Manager / the Bank within 2 working days upon receipt of your application. Should there be a delay, your Relationship Manager / the Bank will keep you updated on the progress of your application.
15.	For the option on 50% reduction of instalments, when do I have to start servicing / paying the new instalment amount?	Payment will commence upon the acceptance of the new agreed assistance plan.
16.	Does this program apply to newly approved / disbursed loans / financings?	Generally, no if the facility was approved after 1 June 2021. However, you may contact the Bank and the Bank will assess your financial situation and affordability and provide the right assistance to suit the particular situation that you may be facing.
17.	Will there be any penalty/interest/ compensation charges charged to my loan/financing in the event I default after I enroll into this MPRAP plan?	<p>Yes, there may be penalty/interest/compensation charges charged to your loan/financing account in the event of default on the MPRAP. Refer to the terms and conditions in your Original Letter of Offer relating to penalty charges in the event of default on your new agreed instalment(s).</p> <p>As such, you are advised to ensure prompt payments in servicing your restructured/rescheduled loans/financing under the MPRAP.</p>
18.	Can I opt out from the MPRAP in the event my financial status recovers?	Yes, you can choose to opt out from the MPRAP. Let us know promptly when you can re-instate / re-start the original instalment payments and we will make the necessary arrangements.

No	Question	Answer
19.	How do I know that I have successfully opted out from the Plan?	A notification letter will be issued to you to inform you of the new monthly instalments. You need to pay the new instalments by the due date.
20.	Will there be any interest / profit charged on the deferred amount?	<p>Yes, there will be interest / profit charged on any deferred amounts.</p> <p>We will notify you about the revised instalment amount and your loan / financing tenure will be extended accordingly.</p> <p>For Islamic Financing, profit will only be charged on the principal portion of the deferred amount.</p>
21.	If my account is more than 90 days in arrears, can I apply for the MPRAP?	Yes, we will process your application under Reschedule and Restructure Plan and your account will be reported as <i>Rescheduled and Restructured (R&R)</i> in Central Credit Reference Information System (CCRIS).

Industrial Hire Purchase (Conventional) and Industrial Hire Purchase-i (Islamic)

Option 1 – 3 months deferment of instalment

Interest Rate p.a. flat	3.00%
Annual Percentage Rate (APR)	5.49%
Deferred Interest/Profit Rate as per APR	5.49%
Financing Period (Months)	12
Loan/Financing Amount (RM)	RM50,000
Total Interest/Profit Charged (RM)	RM1,500
Total Repayment/Payment Amount (RM)	RM51,500
Monthly Instalment (RM)	RM4,292
Final Instalment (RM)	RM4,288
1st Instalment Due Date	1/7/2020
Final Instalment Due Date	1/6/2021
Original Maturity Date	1/6/2021
Extended Maturity Date	1/9/2021
Deferment Start Date	1/12/2020
Deferment End Date	28/2/2021
Deferred Interest Charged (RM)-Conventional	410.76
Deferred Profit Charged (RM) - Islamic	399.72

Industrial Hire Purchase (Conventional)

Due & Payment Date	Balance brought forward	Monthly Instalment	Balance carried forward	Interest from deferment date until payment date	
	RM	RM	RM	RM	Days
1/7/2020	51,500.00	4,292.00	47,208.00	-	-
1/8/2020	47,208.00	4,292.00	42,916.00	-	-
1/9/2020	42,916.00	4,292.00	38,624.00	-	-
1/10/2020	38,624.00	4,292.00	34,332.00	-	-
1/11/2020	34,332.00	4,292.00	30,040.00	-	-
1/12/2020 ^[1]	30,040.00	-	30,176.92	136.92	212
1/1/2021 ^[1]	30,176.92	-	30,313.84	136.92	212
1/2/2021 ^[1]	30,313.84	-	30,450.76	136.92	212
1/3/2021	30,450.76	4,292.00	26,158.76	-	-
1/4/2021	26,158.76	4,292.00	21,866.76	-	-
1/5/2021	21,866.76	4,292.00	17,574.76	-	-
1/6/2021	17,574.76	4,292.00	13,282.76	-	-
1/7/2021 ^[2]	13,282.76	4,292.00	8,990.76	-	-
1/8/2021 ^[2]	8,990.76	4,292.00	4,698.76	-	-
1/9/2021 ^[2]	4,698.76	4,698.76	-	-	-

Note: ^[1] Deferment Period

^[2] Extended Period

Industrial Hire Purchase-i (Islamic) -

Due & Payment Date	Balance brought forward	Monthly Instalment	Balance carried forward	Profit from deferment date until payment date ^[3]	
	RM	RM	RM	RM	Days
1/7/2020	51,500.00	4,292.00	47,208.00	-	-
1/8/2020	47,208.00	4,292.00	42,916.00	-	-
1/9/2020	42,916.00	4,292.00	38,624.00	-	-
1/10/2020	38,624.00	4,292.00	34,332.00	-	-
1/11/2020	34,332.00	4,292.00	30,040.00	-	-
1/12/2020 ^[1]	30,040.00		30,172.63	132.63	212
1/1/2021 ^[1]	30,172.63	-	30,305.87	133.24	212
1/2/2021 ^[1]	30,305.87	-	30,439.72	133.85	212
1/3/2021	30,439.72	4,292.00	26,147.72	-	-
1/4/2021	26,147.72	4,292.00	21,855.72	-	-
1/5/2021	21,855.72	4,292.00	17,563.72	-	-
1/6/2021	17,563.72	4,292.00	13,271.72	-	-
1/7/2021 ^[2]	13,271.72	4,292.00	8,979.72	-	-
1/8/2021 ^[2]	8,979.72	4,292.00	4,687.72	-	-
1/9/2021 ^[2]	4,687.72	4,687.72	-	-	-

Note: ^[1] Deferment Period

^[2] Extended Period

^[3] Profit accrual based on principal portion of deferred instalment only

Option 2 - 50% reduction on instalment for 6 months

Interest/Profit Rate (%) p.a. flat	3.00%
Annual Percentage Rate (APR)	5.49%
Deferred Interest/Profit Rate as per APR	5.49%
Financing Period (Months)	12
Loan/Financing Amount (RM)	50,000
Total Interest/Profit Charged (RM)	1,500
Total Repayment/Payment Amount (RM)	51,500
Monthly Instalment (RM)	4,292
Final Instalment (RM)	4,288
50% Reduction of instalment (RM)	2,146
Total 6 months of 50% of Deferred Instalments (RM)	12,876
1st Instalment Due Date	01/07/2020
Final Instalment Due Date	01/06/2021
Maturity Date	
50% Deferment Start Date	1/12/2020
50% Deferment End Date	31/5/2021
Deferred Interest Charged (RM)-Conventional	205.70
Deferred Profit Charged (RM) - Islamic	205.70

Industrial Hire Purchase (Conventional)

Due & Payment Date	Balance brought forward	Monthly Instalment	Balance carried forward	Interest from deferment date until payment date	
	RM	RM	RM	RM	Days
1/7/2020	51,500.00	4,292.00	47,208.00	-	-
1/8/2020	47,208.00	4,292.00	42,916.00	-	-
1/9/2020	42,916.00	4,292.00	38,624.00	-	-
1/10/2020	38,624.00	4,292.00	34,332.00	-	-
1/11/2020	34,332.00	4,292.00	30,040.00	-	-
1/12/2020	30,040.00	2,146.00	27,952.77	58.77	182
1/1/2021	27,952.77	2,146.00	25,855.53	48.76	151
1/2/2021	25,855.53	2,146.00	23,748.29	38.75	120
1/3/2021	23,748.29	2,146.00	21,602.29	29.71	92
1/4/2021	21,602.29	2,146.00	19,456.29	19.70	61
1/5/2021	19,456.29	2,146.00	17,310.29	10.01	31
1/6/2021	17,310.29	17,310.29	(0.00)	-	-

Industrial Hire Purchase-i (Islamic)

Due & Payment Date	Balance brought forward	Monthly Instalment	Balance carried forward	Profit from deferment date until payment date	
	RM	RM	RM	RM	Days
1/7/2020	51,500.00	4,292.00	47,208.00	-	-
1/8/2020	47,208.00	4,292.00	42,916.00	-	-
1/9/2020	42,916.00	4,292.00	38,624.00	-	-
1/10/2020	38,624.00	4,292.00	34,332.00	-	-
1/11/2020	34,332.00	4,292.00	30,040.00	-	-
1/12/2020	30,040.00	2,146.00	27,952.77	58.77	182
1/1/2021	27,952.77	2,146.00	25,855.53	48.76	151
1/2/2021	25,855.53	2,146.00	23,748.29	38.75	120
1/3/2021	23,748.29	2,146.00	21,602.29	29.71	92
1/4/2021	21,602.29	2,146.00	19,456.29	19.70	61
1/5/2021	19,456.29	2,146.00	17,310.29	10.01	31
1/6/2021	17,310.29	17,310.29	(0.00)	-	-

Terms of Glossary

No	Terminology	Explanation
1	Accrued Interest/Profit	Accrued interest/profit is the amount of interest/profit that has accumulated on a loan/financing since the last interest/profit payment date.
2	Base Lending Rate (BLR)	The Base Lending Rate, set by Hong Leong Bank is a minimum interest rate calculated by the Bank based on a formula that considers the Bank's cost of funds and other administrative costs.
3	CCRIS (Central Credit Reference Information System)	The Central Credit Reference Information System (CCRIS) is a system created by Bank Negara Malaysia's (BNM) Credit Bureau to provide standardised credit reports on a potential borrower. It is a centralised database which offers a picture of your financial health.
4	Contractual Rate	Contractual Rate refers to the annual rate of interest/profit with respect to a particular contract.
5	Compound Interest/profit	Compound interest/profit (or compounding interest/profit) is the interest/profit on a loan/financing calculated based on both the initial principal and the accumulated interest/profit from previous periods.
6	Deferred Portion	Deferred Portion (in relation to a loan/financing) is an amount equal to the principal and interest/profit amount of the instalment repayment in respect of that particular loan/financing that is at that particular time required to be repaid on the repayment dates falling during the deferral period (if any) in accordance with the agreement.
7	Deferred Interest/profit	Deferred interest/profit is an interest/profit that you've accumulated on an account, but haven't yet paid.
8	Flat Rate	Flat Rate Interest/[profit] is the type of interest/profit that will stay the same on the principal loan/financing amount throughout your loan/financing tenure.
9	Fixed Interest/Profit Rate	A fixed interest/profit rate is a rate that will not change for the entire term of a loan/financing.

		Note: Interest refers to conventional banking, whereby profit refers to Islamic Banking.
10	Fixed Rate Loan/Financing	A fixed-rate loan/financing has an interest/profit rate that doesn't change throughout the tenure of the loan/financing.
11	Islamic Financing Rate (IFR)	Islamic Financing Rate is set by Hong Leong Islamic Bank. It is a minimum rate calculated by the Bank based on a formula that considers the Bank' cost of funds and other administrative costs.
12	Interest/Profit	Interest/profit is a charge applied by banks for providing loan/financing facilities.
13	Maturity Date	Maturity Date is loan/financing payment completion date.
14	Principal Amount	Principal Amount is total amount of money borrowed (or invested), not including any interest/profit or dividends.
15	Restructuring & Rescheduling	<ul style="list-style-type: none"> • Rescheduling refers to the extending or lengthening of your loan/financing tenure – resulting in a revision of the monthly instalment amount. Meaning, you'll get to pay a lesser sum each month. • Restructuring on the other hand, involves changing the type or structure of your loan/financing in order to help you improve your current cash flow. For instance, the bank will convert your overdrafts/cashline-i to term loans/financings.
16	Standing Instruction (SI)	A Standing Instruction (SI) is a service offered to customers of a bank, wherein regular transactions that the customer wants to make are processed as a matter of course instead of initiating specific transactions each time.
17	Tenure	Tenure is the length of time for which a term loan has been approved and is typically structured in 12-month multiples.
18	Variable Rate	A variable interest/profit rate is an interest/profit rate on a loan/financing or security that fluctuates over time because it is based on an underlying benchmark interest/profit rate or index that changes periodically.