

PRODUCT DISCLOSURE SHEET

Product: My First Home Scheme-i – First Time House Buyer (FTHB)

Please read this Product Disclosure Sheet before you decide to take up the product. Kindly seek clarification from the Bank if you do not understand any part of this document or the general terms stated herein.

Date:

Customer's Name:

1 What is this product about?

The Bank My First Home Scheme-i – First Time House Buyer (FTHB) is a home financing facility for purchase of residential properties value of up to RM300,000 for own occupation. This product is calculated on variable rate basis and you are offering your house as security for this financing.

2 What is the Shariah concept applicable?

The applicable Shariah concept is Tawarruq which comprises Murabahah and Wakalah.

Tawarruq means arrangement that involves sale of an asset to the purchaser on a deferred basis and subsequent sale of the asset to a third party to obtain cash.

For this product, the Tawarruq arrangement shall be as follows:

The Bank will sell the commodities to you on Murabahah basis at the Bank's Selling Price on deferred payment. Under this arrangement, the purchase of the commodities will be performed by the Bank as your Purchase Agent. The Bank will then sell the commodities to a third party Commodity Trader in capacity as your Sale Agent at cost price which shall be equivalent to the financing amount. The proceeds from the sale of the commodities will be disbursed to you as per agreed terms and conditions.

Murabahah refers to the selling of goods/assets at a price whereby the cost and profit margin (mark-up) are made known and agreed to by both parties.

Wakalah refers to a contract in which a party mandates another party as his agent/wakil to perform a particular task in matters that may be delegated voluntarily. Under this product, the Bank will act as your Purchase Agent and Sale Agent to complete the Tawarruq arrangement

3 What is the Base Rate (BR)?

Base Rate (BR) is the reference rate used as the basis for pricing for this product. The BR is made of two parts, the Bank's benchmark Cost Of Funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. The Bank's benchmark COF reflects the costs of raising new funds and is based on the average Commodity Murabahah Term Deposit rates.

4 What are possible scenarios to trigger a change in the BR?

Our BR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as changes in the cost of funds used to fund floating rate financing.

Example:

If the cost of customer deposit rises, the COF will rise as customer deposits is part of the components used to fund floating rate financing. The higher COF will trigger a rate increase in the BR.

5 Historical benchmark COF in the last 3 years

Please refer to www.mbsbbank.com (under Base Rate / Base Financing Rate) for the latest historical data.

6 What do I get from this product?

Property Value (SPA/OMV)	RM	_____	Tenure	:	_____	years
Property Financing	RM	_____	Ceiling Profit Rate	:	_____	p.a.
MRTT	RM	_____	Selling Price	:	RM _____	
Will Writing	RM	_____	Current BR*	:	_____	2.65%
Others	RM	_____	Indicative Effective Profit Rate			
Total Financing Amount	RM	_____	Year 1	:	_____ % p.a.	(BR +/- _____)
(Purchase Price)			Year 2	:	_____ % p.a.	(BR +/- _____)
Margin of Financing (MOF)			Year 3	:	_____ % p.a.	(BR +/- _____)
(B ÷ A)		_____	Thereafter	:	_____ % p.a.	(BR +/- _____)

*Profit Rate is calculated based on daily rest basis

i) Indicative Effective Profit Rate is subject to your credit rating and credit assessment.

ii) Financing calculator is available at the Bank's website for Customer's reference. All calculations are estimations, based on an indicative profit rate.

7 What are my financial obligations?

- Servicing the Grace Period Profit (GPP) / monthly progressive profit; or
- Servicing the monthly instalment

Note: The commencement date for payment (a) and (b) will be as follows:-

Date of First Disbursement	Date of Commencement of First Payment	Eg: Date of First Disbursement	Eg: Date of Commencement of First Payment
1st – 10th of the Month	1st of following month	3rd October 2018	1st November 2018
11th of the Month Onwards	1st of next following month	15th October 2018	1st December 2018

Important: Your monthly instalment and total payment will vary if the BR changes.

Rate	Current BR =	If BR goes up by 1% =	If BR goes up by 2% =
Monthly Instalments	RM	RM	RM
Total profit charged at the end of [] years	RM	RM	RM
Total payment amount at the end of [] years	RM	RM	RM

Note:

- For completed property, you are required to service monthly instalment upon first financing disbursement;
- For property under construction, the instalment amount is to commence upon full financing disbursement or expiry of grace period. Pending full financing disbursement, customer is to service the GPP/monthly profit charged calculated based on actual amount disbursed as follows:

$$\text{Grace Period Profit} = \text{Amount Disbursed} \times \left(\frac{\text{Current profit rate} \times \text{no. of days}}{365} \right)$$

Example calculation of GPP:

Assumption Effective Profit Rate = 5.75% ; Financing Amount = RM500,000; Total amount disbursed = RM100,000
Total Monthly GPP to be paid: $[100,000 \times 5.75\% \times (30/365)] = \text{RM}472.60$

Important: Total monthly instalments and total payment amount may vary due to change in BR but not exceeding the Selling Price.

- Completion of the online financial literacy course by Agensi Kaunseling and Pengurusan Kredit (AKPK)
You must provide the proof of AKPK online course certificate at the point of application. The module can be accessed from AKPK's Rumahku portal at learn.akpk.org.my or via <https://learn.akpk.org.my/courses/rumahku>

8 What other fees and charges do I have to pay?

Stamp Duty	As per the Stamp Duty Act 1949 (Revised 1989)
Legal & Disbursement Fee	Include solicitor fees for financing documentation, registration of charge, land search and bankruptcy search.
Processing Fee	Residential Properties - Waived
Valuation Fee	For completed properties only
Letter for EPF Withdrawal	RM50.00 per request
Redemption Statement	RM50.00 per request

Note: The fees and charges quoted are exclusive of any taxes (where applicable) which shall be additionally borne by the customer. Should there be any taxes to be imposed on the fees and charges quoted, the Bank has the right to change the amount payable. Bank will notify from time to time if there are any changes. Notice will be given before the new fees and charges take effect (if any).

Kindly refer to our website at www.mbsbbank.com for further details of the fees and charges.

9 What if I fail to fulfill my obligations?

If you have difficulties in meeting your financing obligations, contact us early to discuss alternative payment arrangements. Delay on your part could lead to the following consequences:

- **Late Payment Compensation (Ta'widh)**

You shall be liable to pay the Bank Late Payment Compensation (Ta'widh) on any amount overdue as follows:

- a) if default occurs during the tenure of the facility or any part thereof, at a rate of one per centum (1%) per annum on such overdue instalment under the facility or such part thereof or such other method or rate as shall be stipulated by Shariah Advisory Committee of the Bank from time to time; and
- b) if default occurs after the maturity of the facility or any part thereof, at the rate that shall not exceed the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on the outstanding balance.

Notwithstanding the amount of Late Payment Compensation (Ta'widh) charged, it is expressly acknowledged and agreed that the said amount of Late Payment Compensation (Ta'widh) shall not be further compounded.

- **Default Rate**

In the event you default three (3) consecutive months of the Grace Period Profit payment or payment of Monthly Instalment, the profit rate charged will be revised to a maximum of up to BR + 2.50% p.a or such other rate as may be prescribed by the Bank from time to time but not exceeding the Ceiling Profit Rate notwithstanding the terms and conditions under Ibra' (Rebate) set out in Item 10 and the new instalment will be effective in the following month.

However, the rate will be revised to the original rate as per the Letter of Offer when your financing account status is below three (3) Months-In-Arrears (3 MIA).

- **Right to set-off**

The Bank has the right to set-off any credit balance in your account maintained with the Bank against any outstanding balance in your financing facility account. However, it will be made known to you.

- **Legal action**

The Bank may proceed with legal action if you fail to respond to our reminder notices. Your property may be foreclosed. You will have to bear all costs in relation to the foreclosure. In the event, there is a shortfall after your property is sold, you are responsible to settle the remaining balance.

- **Credit Rating Deterioration**

Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

10 Will I be given Ibra' (Rebate)?

The Bank shall grant Ibra' (Rebate), on such amount of the balance Selling Price remaining unpaid by you based on the following situations:-

- a) For variable rate financing, in the event the amount of profit calculated based on Effective Profit Rate is lower than amount of profit calculated based on the Ceiling / Contracted Profit Rate.
- b) Upon full settlement of the financing facility by you in the following scenarios:-
 - i) Redemption or prepayment of the financing facility.
 - ii) Due to restructuring exercise.
 - iii) In the case of default by you.
 - iv) In the event of termination or cancellation of the financing facility before the expiry date.

The Bank shall grant rebate (Ibra') to you that is calculated in accordance to the following formula:

Settlement Amount = Outstanding Selling Price + Instalments Due + Late Payment Compensation (Ta'widh) + Other Charges – Rebate (Ibra')

Rebate (Ibra') = Deferral Profit – Early Settlement Charges (if any)

Rebate (Ibra') = Deferral Profit – Early Settlement Charges (if any)

11 What if I fully settle the financing before its maturity?

The product is subject to lock-in period of 5 years from the date of financing contract. In the event you opt to make an early settlement within the lock-in period, you shall pay to the Bank all the actual costs incurred and duly paid by the Bank on your behalf (including but not limited to legal and valuation fees) of not exceeding 2% of the outstanding principal balance.

12 Do I need any Takaful coverage?

The following Takaful policies are required to be taken from our panel of Takaful providers or other Takaful providers of your choice approved by the

- **Mortgage Reducing Term Takaful (MRTT)**

MRTT is a Takaful scheme to cover a customer who is a covered member against death or permanent disability. In the event of any unfortunate circumstances, the MRTT will pay off the outstanding financing facility amount in accordance to the MRTT Table of Benefits. MRTT is compulsory.

- **Fire Takaful**

Fire Takaful covers damages or destruction due to fire to any property charged to the Bank as collateral. This is a compulsory Takaful to protect the property and help you cope with any costs of rebuilding or repairing the property in the event of fire.

13 What are the major risks?

- **Variable Rate**

The financing rate is a variable rate and may change according to change(s) in the reference rate (i.e. BR). An increase in profit rate may result in higher monthly instalment.

- **Exceeding Retirement Age**

For financing tenure that extends into retirement age, you are obliged to meet the financing payments during your retirement age by considering alternative avenues of payment.

14 Do I need to provide guarantor?

Case to case basis depending on your credit assessment by the Bank, you may be required to provide a guarantor.

15 Can I appoint a lawyer who is not listed in the Bank's panel lawyer?

Yes, subject to the Bank's approval for such an appointment. However it is not recommended as the lawyer may not be well versed with the Bank's documentation requirement and hence may result in delays.

16 How do I make payment for my financing account?

Financing payments can be made at / via:-

- ✓ Any of our branches nationwide;
- ✓ Electronic payment via Interbank Giro / Instant Transfer;
- ✓ Standing Instruction / Auto Debit

17 What do I need to do if there are changes to my contact details?

It is important that you inform the Bank of any change(s) in your contact details to ensure that all correspondences reach you in a timely manner. Please contact 03-2096 3000 (Customer Service Center) or visit the nearest branch to update any change(s).

18 Where can I get assistance and redress?

If you have difficulties in making payments, you should contact us earliest possible to discuss payments alternatives. You may contact us at:	Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK) that provide money management and credit counselling for individuals. You can contact AKPK at :
Collection and Recovery Department, Ground Floor, Menara MBSB, 46, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur Tel No. : 03-2082 8000 Fax No. : 03-2092 1035	Agensi Kaunseling dan Pengurusan Kredit 8th Floor, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur Tel No. : 1 800 88 2575 E-mail : enquiry@akpk.org.my
If you wish to complain on the products or services provided by us, you may contact us at :	If you query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
Customer Experience Management 7th Floor, Wisma MBSB, 48, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur Tel. No. : 03 - 2096 3000 E-mail : complaint@mbsbbank.com	Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur, Tel. No. : 1-300-88-5465 Fax No. : 03-22174 1515 E-mail : bnmtelink@bnm.gov.my

19 Where can I get further information?

Should you require additional information on Islamic Property Financing, please visit our website at www.mbsbbank.com or email to enquiry@mbsbbank.com.

You may also visit our Mortgage Department at:

Mortgage Department 9th Floor, Menara MBSB, 46 Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur Tel. No. : 03-2082 8000 Fax No. : 03-2020 8135 Website : www.mbsbbank.com
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20 Other relevant information?

- The financing amount and tenure approved by the Bank may be lower than the applied amount, in accordance with the Bank's policies and discretion and shall depend on the Bank's due credit processes and/or your credit profile or creditworthiness.
- As required by the law, the Bank will share your credit data with the relevant credit bureau or other regulators.

21 Other relevant information?

- Standard Property Financing-i (Residential / Commercial);
- Ultimate Property Financing-i (Residential / Commercial);
- My First Home Scheme-i

IMPORTANT NOTE :

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO PAY THE MONTHLY INSTALMENTS OF YOUR PROPERTY FINANCING-I FACILITY

The information provided in this disclosure sheet is valid as at : 15 July 2020

Disclaimer:

The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative and not binding on the Bank. The final terms and conditions are as stipulated in the Letter of Offer and Facility Agreement after credit assessment has been performed and the financing is approved.

For the Bank's use only:

Sales Executive is required to fill up this form upon attending the financing application.