

Mortgage Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET Read this Product Disclosure Sheet before you decide to take up this Housing Loan . Be sure to also read the terms in the Letter of Offer. Seek clarification from your institution if you do not understand any part of this document or the general terms.	Alliance Bank Malaysia Berhad Name of Product: Housing Loan Date: Sept 2023
1. What is this product about?	
Conventional Home Loan is a housing loan/home financing calculated based on a variable rate basis (i.e. Standardised Base Rate + spread) and require your house/property as a security for this financing.	
2. What do I get from this product?	
<ul style="list-style-type: none"> • Margin of Financing (MOF) offered is up to 90%. • Interest rate charge is pegged to the Standardised Base Rate ("SBR"). The Effective Lending Rate ranges from SBR + 1.36% to SBR + 2.51%. • Financing Tenure is up to 35 years or age 70 (whichever comes first). 	
Example: Total Amount Borrowed : RM500,000.00 Tenure : 20 years Standardised Base Rate (SBR) : 3.00% p.a. (subject to change) Effective Lending Rate : SBR + 1.59% = 4.59%	
Total interest cost at the end of 20 years (excluding interest served during construction period, if any)	RM265,022.00
Total repayment amount at the end of 20 years (excluding interest served during construction period, if any)	RM765,022.00
Note: The monthly instalment will commence once the Housing Loan amount has been fully disbursed and the above illustration is based on assumption that the loan is fully disbursed within the Availability Period of the loan. (Availability Period means availability of the credit facility(ies) is up to a period of Construction Tenure starting from the date of the sale and purchase agreement for property under construction or up to a period of twelve (12) months from the date of Letter of Offer or the completion date or extended completion date of the sale and purchase agreement / proclamation of sale, whichever is earlier for completed property.)	
<u>Applicable to FlexLink Housing Loan</u> <ul style="list-style-type: none"> • FlexLink Housing Loan is a financing facility that linked to a non-interest bearing current account ("FlexLink Current Account") that provide you the flexibility to deposit and redraw the excess funds ("credit balance") from the current account at any point of time. • A FlexLink Current Account must be opened in conjunction with any of FlexLink Housing Loan which will be link to the housing loan account only. • Credit balance in the FlexLink Current Account after deducting the loan instalment and due amount, will be used to set-off the FlexLink Housing Loan outstanding loan balance for interest calculation. • The set-off interest calculation is capped at 75% of the FlexLink Housing Loan outstanding balance after deducting the Advance Payment in the FlexLink Housing Loan account. • Any prepayment surplus make towards the FlexLink Housing Loan account is deemed as ("Advance Payment"), it will reduce the outstanding amount for interest set-off limit capping calculation. • Advance Payment in the FlexLink Housing Loan account will not reduce the loan outstanding balance for interest calculation. • Credit balance available in FlexLink Current Account is protected by PIDM, up to RM250,000.00 per depositor. 	

Your FlexLink loan interest calculation

Examples:

Example	FlexLink HL/TL Outstanding Loan Balance (a)	Credit Balance in FlexLink Current Account (b)	Advance Payment in FlexLink HL/TL Account (c)	Maximum Set-off amount (d) = [(a) - (c)]*75%	Net amount used for interest calculation (e) = (a) - [(b) or (d), whichever is lower]
Example 1	RM500,000.00	RM100,000.00	RM0	RM375,000.00	RM400,000.00
Example 2	RM500,000.00	RM100,000.00	RM100,000.00	RM300,000.00	RM400,000.00
Example 3	RM500,000.00	RM400,000.00	RM0	RM375,000.00	RM125,000.00
Example 4	RM500,000.00	RM400,000.00	RM100,000.00	RM300,000.00	RM200,000.00

Note: The above illustration shows your net amount used for interest calculation. Interest is calculated on net amount on daily basis.

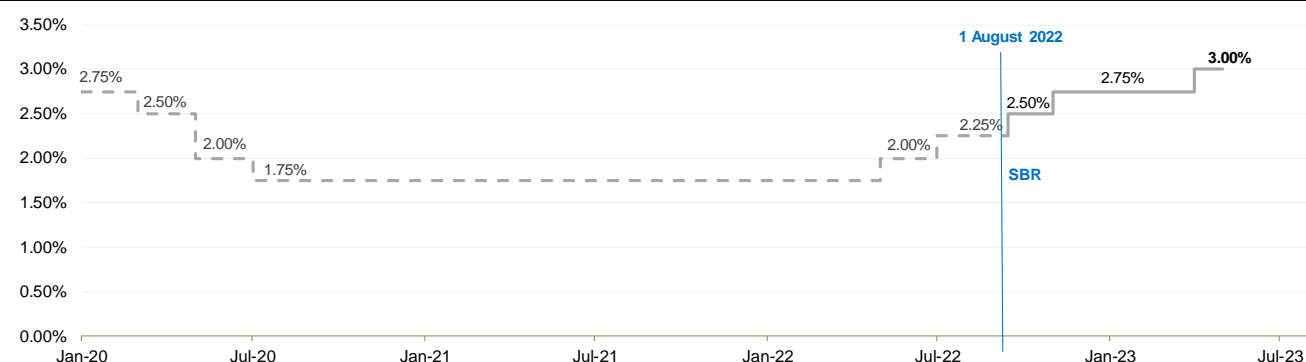
3. What is the Standardise Base Rate (SBR)?

The SBR we offer on this product is based on the benchmark rate specified by Bank Negara Malaysia. The benchmark rate is currently set as the Overnight Policy Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of Bank Negara Malaysia.

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

The SBR can rise or fall due to changes in the benchmark rate, i.e. changes in the Overnight Policy Rate (OPR).

5. Historical SBR for the past 3 years



Note: The SBR was introduced on 1 August 2022. The dotted line in the graph shows the historical series of the OPR, which is the benchmark rate of the SBR.

6. What are my obligations?

- For financing of property under construction, you will have to service the interest during the construction period. Interest shall be calculated based on the Effective Rate on the daily outstanding amount (or based on monthly rest where specified and applicable) and such interest to be payable monthly and shall be debited accordingly to your account at the end of each month.
- If the financing tenure extends into your retirement age, you must make the necessary arrangements to ensure that you can continue to repay the loan either through a savings plan or an endowment policy to be arranged for by yourself. Please be aware that in the event that you fail to meet any repayment during retirement, your house may be foreclosed. Therefore it is important for you to have a plan on how to service the repayment during retirement.
- In the event of any variation to the loan tenure and/or interest rate due to changes in the Standardised Base Rate (SBR), the Bank reserves the right to vary the repayment amount accordingly.

Important: Your monthly instalment and total repayment amount will vary if the SBR changes.

Example:

Rate	Today (SBR = 3.00%)	If SBR goes up 1%	If SBR goes up 2%
Monthly Instalment	RM3,188.00	RM3,465.00	RM3,755.00
Total interest cost at the end of 20 years	RM265,022.00	RM331,577.00	RM401,058.00
Total repayment amount at the end of 20 years	RM765,022.00	RM831,577.00	RM901,058.00

Note: The above illustration shows your monthly instalment amount, total interest cost and total repayment amount upon commencement of full instalment, excludes interest serviced during the construction period.

7. What other charges do I have to pay?

- a) **Set-up Fee**
RM200.00 (one time-off) for Conventional Home Loan with Redrawal facility and FlexLink Housing Loan.
- b) **Withdrawal Fee**
RM50.00 for every withdrawal of excess fund in Advance Payment for Conventional Home Loan with Redrawal facility.
- c) **Legal and Disbursement Fee**
Include solicitor fee as per the scale in the Solicitors' Remuneration Order (SRO) and disbursement fee (fee including but not limited to registration fee, search fee and other related charges).
- d) **Stamp Duty**
Stamp Duty as per the Stamp Duty Act 1949 (Revised 1989).
- e) **Valuation Fee**
Valuation fee for preparing the formal valuation report (applicable for completed properties only).
- f) **Maintenance Fee**
RM10.00 monthly maintenance fee for FlexLink Current Account.

Unless otherwise specified herein, the Bank's charges exclude any current taxes and future taxes that may be, under the relevant legislation. Upon the effective date of implementation of any such taxes in the future and wherever applicable, the Bank will be entitled to recover such taxes from you.

All fees and charges will be updated in the Bank's website from time to time, please visit Alliance Bank's website for information.

8. How do I service my monthly instalment?

For your convenience, we recommend payment via the following methods:

- Interbank GIRO (IBG)/Instant Interbank Funds Transfer (IBFT) via ATM or Internet Banking.
 - From your Alliance Current Account/Savings Account - Direct Debit via Alliance Online Banking or Standing Instruction (SI).
- Alternatively, you may make payments over-the-counter or at the self-service kiosk, at any Alliance Bank branch.

Remark: Fees and charges may be imposed for cheque and cash payment in the future with prior notice by way of posting on the Bank's website, display at branch premises or by any other means of notification which the Bank may select.

9. What if I fail to fulfil my obligations?

- Late payment charge up to 1% p.a. on the amount in arrears which will increase the total outstanding balance.
- Any instalment/interest payment amount that is overdue on the first (1st) of the month, including instalment/interest payment amount that is partially paid shall be deemed as arrears.
- The Bank shall be entitled to vary the Prescribed Rate which the variation shall not be more than 3.00% per annum above the Prescribed Rate or such other rate as the Bank may prescribe from time to time on the total balance outstanding of the loan, in the event that the account is in arrears for more than three (3) months or you have defaulted more than three (3) monthly instalments/interest payments ("Additional Interest Rate").
- The Additional Interest Rate is displayed in the Bank's website and you may refer to <https://www.alliancebank.com.my/> for the latest information.
- The interest rate shall be revised back to Prescribed Rate in the following month upon full settlement of the arrears.
- The Bank has the right to off-set any credit balances in your accounts maintained with the Bank against any outstanding balance in the financing accounts.
- Legal action will be taken if you fail to respond to the bank's final reminder notice, your property may be foreclosed and you will have to bear all costs. You are responsible to settle any shortfall after your property is sold.
- Legal action against you may affect your credit rating leading to difficulty in obtaining any credit facility(ies) or it will be more expensive to you.

10. What if I fully settle the loan during the lock-in period?

- Lock-in period: 3 years from the 1st disbursement date of the facility.
- Early termination fee: 2% on the approved loan amount.

11. Do I need any insurance coverage?

Mortgage Reducing Term Assurance (MRTA)/Mortgage Level Term Assurance (MLTA) with the bank is optional. However, you are advised to take up the MRTA/MLTA with the Bank's panel of insurance companies or other insurance companies of your choice approved by the Bank to ensure that your next of kin is protected in the event of any unforeseen circumstances affecting yourself.

Note: Fire Insurance coverage with the Bank's panel of insurance companies or other insurance companies of your choice approved by the Bank of is compulsory.

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

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

13. Where can I get assistance and redress?

- If you have difficulties in making repayments, you should contact us the earliest possible to discuss repayment alternatives. You may contact us at:
Alliance Bank Malaysia Berhad, Consumer Collections, 2nd Floor, 3 Alliance, 3 Jalan SS15/2A, 47500 Subang Jaya, Selangor.
Tel: 03-5516 9988 Fax: 03-5516 9399 Email: info@alliancefg.com
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You may also join the "Program Pengurusan Wang Anda" (POWER) offered by AKPK that promotes financial discipline and prudent financial management. For further information or to register, please contact AKPK at:
Tingkat 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.
Tel: 03-2616 7766 Email: enquiry@akpk.org.my
- If you wish to complain on the products or services provided by us, you may contact us at:
Alliance Bank Malaysia Berhad, Customer Care Unit, 7th Floor, Menara Multi Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.
Tel: 03-2600 1800 Email: info@alliancefg.com
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:
Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.
Tel: 1-300-88-5465 Fax: 03-2174 1515 Email: bnmtelelink@bnm.gov.my
- Alternatively, you may contact Ombudsman for Financial Services at:
Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.
Tel: 03-2272 2811 Fax: 03-2272 1577 Email: enquiry@ofs.org.my

14. Where can I get further information?

For further details, please call our Customer Service Centre at 03-5516 9988 or visit any Alliance Bank branch.

15. Mode of disclosure / communication and on-going communication by the Bank

The Bank reserves the right to vary the Terms and Conditions, fees and charges applicable to the Housing Loan by providing at least twenty one (21) calendar days' notice before the variation is effective. The notice of the variation may be given to you via:

- i. SMS; and/or
- ii. email; and/or
- iii. announcement at the Bank's website; and/or
- iv. insertion in the statement of account ; and/or
- v. by any other means of notification which the Bank may select.

16. Other housing loan packages available:

- Mortgage Term Loan (<https://www.alliancebank.com.my/Alliance/media/Documents/Financing/Conventional-Mortgage-Term-Loan-PDS.pdf>)
- Overdraft Secured Against Property (<https://www.alliancebank.com.my/Alliance/media/Documents/Financing/Conventional-Mortgage-Overdraft-Against-Property-PDS.pdf>)

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU AND/OR YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP UP WITH THE PAYMENTS OF INSTALMENTS ON YOUR FINANCING.

The information provided in this disclosure sheet is effective from Sept 2023.