

**Maybank****Maybank
Islamic****PRODUCT DISCLOSURE SHEET - HIRE PURCHASE (HP) / AL IJARAH THUMA AL BAI (AITAB)**

(Please read this Product Disclosure Sheet before you decide to take out the Hire Purchase / AITAB Facility. Be sure to also read the general terms and conditions.)

1. What is this product about?

The facility is given to you to part finance the purchase of a motor vehicle. Upon approval of the facility, a Hire Purchase / AITAB Agreement shall be entered between you as the Hirer and Maybank / Maybank Islamic as the Owner of the motor vehicle. The interest / profit for the HP / AITAB facility is calculated based on fixed or variable rate over the tenure of the facility. Upon payment of the amount outstanding under the facility, the ownership of the vehicle will be transferred to you. The tenure of the facility shall be up to a maximum period of 9 years only.

2. What do I get from this product?

- (a) Amount financed: RM _____
- (b) Tenure (repayment period): _____ years (_____ months)
- (c) Term charges:-
- i. Fixed Rate _____ % per annum
Annual Percentage Rate _____ % per annum
- OR
- ii. Variable Rate _____ % per annum

3. What are my obligations?

- (a) Fixed Rate
- i. Your monthly instalment is RM _____ for a period of _____ months and a final instalment of RM _____
- ii. The total amount payable is RM _____
- OR
- (b) Variable Rate*
- i. Your monthly instalment is RM _____ for a period of _____ months and a final instalment of RM _____
- ii. The total amount payable is RM _____
- * For facility under Variable Rate the total repayment amount will vary if the Base Lending / Financing Rate (BLR / BFR) changes.

As hirer, you have the obligation to pay the instalments on time, inform the Bank (owner) of any changes in your address & to continue to ensure that the vehicle financed is adequately insured.

4. What are the fees and charges I have to pay?

Standard Fees	RM	Optional Fees (if applicable only)	RM
<input type="checkbox"/> Stamp duty – without guarantor <input type="checkbox"/> Stamp duty – with guarantor <input type="checkbox"/> e-Hakmilik charges <input type="checkbox"/> Photocopy charges	<input type="checkbox"/> 20 <input type="checkbox"/> 60 <input type="checkbox"/> 3 <input type="checkbox"/> 10	<input type="checkbox"/> Photography cost (used & new reconditioned) <input type="checkbox"/> Settlement with other financier <input type="checkbox"/> Inter-branch inspection <input type="checkbox"/> Transport charges for inspection	<input type="checkbox"/> 10 <input type="checkbox"/> 30 <input type="checkbox"/> 50 <input type="checkbox"/> 10
After Sales Support Service Fees (if applicable only)	RM	Chargeback Expenses for Recovery (if applicable only)	RM
<input type="checkbox"/> Document retrieval: within branch <input type="checkbox"/> Document retrieval: offsite storage <input type="checkbox"/> Duplicate Release of Ownership Claim letter <input type="checkbox"/> Consent letter to JPJ for change of engine <input type="checkbox"/> Letter to JPJ for duplicate Registration Card <input type="checkbox"/> Photocopy of Registration Card <input type="checkbox"/> Photocopy of HP Agreement <input type="checkbox"/> Transfer of facility to another branch <input type="checkbox"/> Road Tax renewal <input type="checkbox"/> Letters to JPJ & Customs for transfer of vehicle from East to West Malaysia (vice versa) <input type="checkbox"/> Redemption statements	<input type="checkbox"/> 10 <input type="checkbox"/> 20 <input type="checkbox"/> 100 <input type="checkbox"/> 50 <input type="checkbox"/> 50 <input type="checkbox"/> 10 <input type="checkbox"/> 10 <input type="checkbox"/> 100 <input type="checkbox"/> 10 <input type="checkbox"/> 20 <input type="checkbox"/> 50	<input type="checkbox"/> Travelling charges to inspect/trace vehicle (distance based):- o Within 10 km o Within 30km o Within 60km o Within 90km o More than 90km <input type="checkbox"/> Redelivery & disposal of repossessed vehicle	<input type="checkbox"/> 10 <input type="checkbox"/> 20 <input type="checkbox"/> 30 <input type="checkbox"/> 40 <input type="checkbox"/> 50 <input type="checkbox"/> 120

5. What if I fail to fulfill my obligations?

If you begin to experience difficulties in meeting your monthly repayments, you are advised to contact Maybank/Maybank Islamic immediately, so that we can help you find a viable solution as early as possible. This will prevent you from experiencing difficulties in the event that you fail to fulfill your obligations. The consequences of failing to meet your monthly repayments include:-

- a) For HP, late payment penalty of 8% p.a.* on the amount in arrears calculated daily will be charged (*for AITAB, 1% p.a. compensation fee). This will increase your total outstanding.
- b) Right to set-off: The Bank reserves the right to set-off any credit balance in your savings/current account maintained with us against any outstanding balance in this facility account.
- c) The Bank as the owner has the right to repossess the vehicle.
- d) In addition, legal action will be taken against you to recover the amount outstanding. This will affect your credit standing.

6. Do I need any insurance / takaful coverage?

Yes. Insurance/Takaful policy is mandatory under the Hire Purchase Act, 1967 (HP Act). You are required to keep the vehicle insured until full payment of the HP/AITAB facility. Furthermore, you are required to inform the owner on the renewal of the insurance/takaful policy within 14 days before the expiry of the policy.

7. How does repossession take place?

a) Repossession will take place when there is:-

- (i) Two successive defaults of monthly payment, OR,
- (ii) Failure to pay final instalment, OR,
- (iii) Four successive defaults of monthly payment by next of kin if the hirer is deceased.

b) Repossession Procedures

- (i) The Bank will issue a Notice of Intention to Repossess (pursuant to Section 16 (1) of the HP Act. This notice is commonly referred to as the 4th Schedule Notice) giving you as the hirer 21 days to make good the instalment in arrears.
- (ii) If no payment is made within 14 days after the issuance of the 4th Schedule, a notice pursuant to Rule 15 of the Hire Purchase (Application of Permit and Procedure of Repossession) Regulations 2011 will be issued, informing you of the intention of Maybank/Maybank Islamic as the owner to take possession of the vehicle upon expiry of the 4th Schedule.
- (iii) Upon expiry of grace period, Maybank/Maybank Islamic may initiate repossession by issuing Repossession Order to authorised Repossessors to take possession of the vehicle.

However, for cases where the total instalments paid exceed 75% of the original cash price, the Bank will obtain a Court Order and thereafter proceed with 7 b) (i), (ii) and (iii) as above.

c) Repossessor's Action

- (i) Authorised Repossessor who is holder of permit issued by the Ministry of Domestic Trade, Co-operatives and Consumerism will carry out repossession of the motor vehicle, equipped with the following:-
 - (1) Repossession Order issued by Maybank/Maybank Islamic,
 - (2) Court Order (if applicable) for repossession.
- (ii) In carrying out the repossession, the Repossessor must make available for inspection and verification the above documents, together with his Identification Card and Permit.
- (iii) The Repossessor must adhere to the guidelines and code of ethics as issued by the authorities, including those set up by the Association of Hire Purchase Companies, Malaysia (AHPKM).

8. What are the options available to me after repossession?

Upon repossession, Maybank/Maybank Islamic will issue a 5th Schedule notice giving you 21 days to do one of the following:-

- a) Pay all outstanding arrears and incidental expenses incurred by the Bank to make good the repossession of the vehicle or goods (including reposessor's fees, towage, storage, etc.), OR
- b) Repay in full the entire balance outstanding for the account, including incidental expenses incurred by the Bank (as above), OR
- c) Introduce a buyer to purchase the vehicle or goods at the price indicated on the notice.

9. What if I fail to meet the 21-day deadline on the 5th Schedule?

Maybank/Maybank Islamic may sell/dispose the vehicle either by public auction or private sale in order to recover the amount owing under the HP/AITAB Agreement. The proceeds from the sale will be used to pay the balance outstanding under the Agreement. However, you will continue to be responsible for any amount still outstanding if the sale proceeds is insufficient to settle the amount in full. On the other hand, if there is any surplus amount after full settlement, this will be refunded to you.

10. What if I fully settle the loan before its maturity?

You will be entitled to a rebate on the interest/profit unearned by Maybank/Maybank Islamic for early settlement. The rebate is a partial refund of the term charges (interest/profit) calculated according to a formula stipulated in the HP Act.

For example, if you wish to full settle your loan after paying 48 monthly instalments, you will get a rebate on the term charges for the remaining 12 months (i.e., 60 – 48 months = 12 months). Example of calculation of rebate is as follows:-

Loan Amount = RM50,000 at 3.0% p.a. for 5 years, Total term charges = RM7,500

Rebate on interest = $\frac{RM7,500 \times (1+2+3+...n)}{(1+2+3+...k)}$ Where: n = remaining repayment period (in months), i.e. 12 months
k = original repayment period (in months), i.e. 60 months

So, rebate on interest = $\frac{RM7,500 \times (1+2+3+...+12)}{(1+2+3+...+60)} = \frac{RM7,500 \times 78}{1,830} = RM319.67$

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

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

12. Where can I get further information?

Should you require additional information about taking a HP/AITAB facility, please refer to the www.maybank2u.com.my website under Hire Purchase Financing or kindly visit nearest Maybank Auto Finance Centre. If you have any enquiries, please contact us at:- Automobile Financial Services, Malayan Banking Bhd, No. 1, Jalan Maarof, 59000 Kuala Lumpur. Tel: 03-2297 2000, Fax: 03-2283 2019/ 2018

Agensi Kaunseling Dan Pengurusan Kredit (AKPK) has been established by Bank Negara Malaysia (BNM) to provide free services on money management, credit counseling, financial education, debt restructuring for individuals. In addition, BNM has introduced POWER! Pengurusan Wang Ringgit Anda programme. This programme provides useful information to encourage prudent money management and financial discipline. For more information or to register for the programme, log on to www.akpk.org.my or call 1800 88 2575.

14. Customer's Acknowledgement

I hereby confirm that I have read and understood the contents of this Product Disclosure Sheet.

Signature: _____

Name:
NRIC No:

FREQUENTLY ASKED QUESTIONS

■ How much can I borrow from the banking institution?

The margin of financing will depend on your credit standing subject to a maximum of 90% of purchase price or any other lower margin of financing fixed by the Bank.

■ What are the term charges for a HP facility?

The maximum term charges for a HP facility under fixed rate financing is 10% flat per annum while term charges for variable rate financing will be quoted at a margin above the Bank's base lending rate.

■ Do I require a guarantor for my HP facility?

The need for a guarantor depends on the credit assessment made by the Bank. The guarantor should be one who is acceptable to the Bank.

■ What should I do if the guarantor or I did not get a copy of the HP agreement 14 days after entering into the agreement?

You should contact the Bank's branch which originated your loan (home branch) to get a copy of the agreement.

■ Can the Bank insist that I insure with an insurance company on its panel?

You can either insure with an insurance company on the panel of the Bank, or an insurance company of your choice. Normally, the Bank has a few insurance companies on its panel for your convenience.

■ Can I keep the motor vehicle registration card to enable me to renew my road tax upon expiry?

As the hirer, the vehicle registration card may be made available to you upon submission of your written request to the Bank. Nevertheless, as the owner, the Bank would prefer to prevent any inconveniences that may arise due to damage, misplacement or theft of the card. As such, for your convenience, the Bank will provide a free custodian service. Insurance renewal service is available, and road tax renewal service is also provided at a nominal (runner's) fee.

■ Can I modify the monthly repayment amount if I have financial difficulties?

This is subject to the Bank's discretion and you are advised to discuss the matter with us as soon as possible. The Bank will assist you to arrive at a viable solution.

■ Can I introduce a prospective buyer to buy the repossessed motor vehicle or goods?

Yes. Before the expiration of the 5th Schedule notice, you can introduce a buyer to buy the repossessed motor vehicle or goods at the price indicated in the 5th Schedule notice.

■ Can the Bank claim any amount from me after the repossessed motor vehicle or goods is sold?

Yes. If the proceeds from the sale of the repossessed motor vehicle or goods are not enough to cover your liabilities, the Bank can claim the amount outstanding from you.

■ Whom and where can I complain if I am not satisfied with the manner in which my motor vehicle or goods was repossessed?

You may lodge your complaint with the Bank. Alternatively, you may also lodge your complaint with AHPCM :- Association of Hire Purchase Companies Malaysia, Unit 605 Block C, Phileo Damansara 1, No. 9 Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor

■ If I have defaulted on the monthly instalments, can the Bank claim from the guarantor?

Yes. The Bank can claim the payment from the guarantor because the guarantor has agreed to undertake the liability to repay your debt in the event of your default.

■ What are the rights and responsibilities of a guarantor under the HP Act?

A guarantor has the following rights under a HP agreement:-

- *To receive a copy of the HP agreement.*
- *To receive all notices on payment issued by the banking institution to the hirer.*
- *To be discharged from liability once the amount due to the banking institution is fully paid.*
- *To take legal action against the hirer for breach of obligation.*
- *To be indemnified by the hirer against claims by the Bank after paying the amount due.*

■ Do I still have to pay my monthly instalments if my motor vehicle or goods is stolen?

Yes. Your liability to pay the monthly instalment does not cease with the loss of your motor vehicle or goods. However, you may claim from the insurance company, the market value of the insured motor vehicle or goods or the sum insured, whichever is lower.

■ What happens to the HP agreement in the event of the death of the hirer?

If the personal representative has obtained a Letter of Administration or Grant of Probate, the rights, title and interest will be transferred to the personal representative who will take over the responsibilities of the hirer. Otherwise, the Bank has the right to repossess the motor vehicle or goods after defaults in four successive monthly instalments.

■ How can I transfer/sell/part possession of the motor vehicle or goods to a third party even though the motor vehicle or goods is still financed under my name?

It is illegal to transfer/sell/part possession of the motor vehicle or goods without the Bank's permission. If you do so, you may incur substantial penalties as you are still fully responsible for the liability and losses incurred. Also, under S38 of the HP Act, you may be liable to a fine of up to RM30,000 or imprisonment of up to three years, or both. Therefore, please ensure that you have fully settled your HP debt before you sell your motor vehicle or goods. If you wish to use the proceeds of the sale to settle your HP loan, get the Bank's consent to sell and arrange for the proceeds of the sale to be paid directly to the Bank. If there is any shortfall, you will be responsible for repaying the balance. If there is a surplus, it will be refunded to you by the Bank.

■ Can I remove the vehicle or goods to a location different from the one stated in the HP Agreement?

Yes, you can. However, you must inform the Bank the new location within 14 days from the day of the removal. Otherwise, you will be guilty of an offence under S37 (2) of the Hire Purchase Act. The maximum penalty that can be imposed may amount up to RM250,000 if the hirer is a company, and up to RM50,000 or imprisonment up to 5 years, or both, if the hirer is an individual.