Guide to Consumer on Reference Rate



Before 2 Jan 2015

BLR
Base Lending Rate

Loans extended prior to 2 January 2015 will continue to be referenced against the Base Lending Rate (BLR) or Base Financing Rate (BFR) until their maturities. Effective 2 January 2015 From 2 Jan 2015

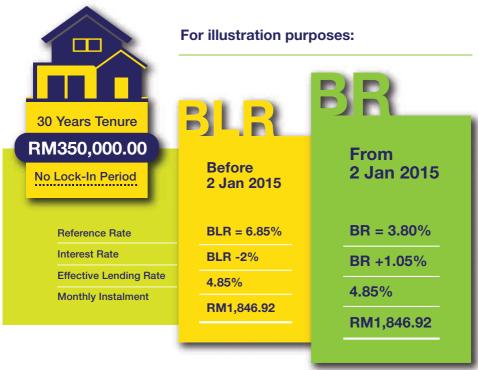
BRBase Rate

Effective 2 January 2015, a new reference rate known as the **Base Rate (BR)** will be used for new floating rate loans / financing facilities, such as housing loans.



The move to BR does not affect Effective Lending Rates

Applicable to floating rate loans / financing facilities offered to individuals.



What should you do as a borrower?

- Compare the effective lending rates quoted by different financial institutions before taking out a new loan.
- Ask for a Product Disclosure Sheet (PDS) providing you with the effective lending rate and total repayments amounts for the loan/financing facilities you plan to take out.
- **Ask** your financial institution to explain the factors which may lead to a change in the Base Rate.
- Your monthly repayment amount will increase or decrease when there is a change in the Base Rate.
- You should also assess whether you can continue to afford the loan repayments if the effective lending rate increases in future.

Note: Financial institutions are required to publish the effective lending rate for a standard 30-year housing loan of RM350.000.