

## **Dear Valued Customers**

Under the Hire Purchase Amendment Act 2025 (HPAA), the flat rate and the Rule of 78 method will be abolished for new customers, marking a major shift in how hire-purchase financing is calculated. To ensure fairness for customers who entered into agreements prior to the HPAA or during the permitted grace period, Maybank/Maybank Islamic (collectively referred to as Maybank) will offer **Goodwill Discounts** for early settlement of these fixed-rate hire-purchase agreements.

Our priority is to ensure every customer feels supported and valued during this change. The **Goodwill Discount** is an industry-wide measure designed to provide affected customers with treatment comparable to that of new customers under the HPAA when they choose to settle their hire-purchase financing early.

## **Key Points**

### **1) Who qualifies?**

Individuals and micro or small businesses (SME) with fixed-rate hire-purchase agreements and/or which apply the Rule of 78 method:

- entered into before the HPAA takes effect; **or**
- entered into during the 18-month grace period allowed under the HPAA; **and**
- who choose to settle their hire-purchase financing early i.e. any time before loan or financing maturity.

### **2) Eligibility criteria?**

At the point of early settlement, accounts should:

- not be in arrears exceeding 90 days;
- not be under legal action or issued with repossession order; **or**
- not be under an existing restructuring and rescheduling (R&R) or enrolled in a formal debt management programme.

### **3) What's the discount?**

- The **Goodwill Discount** will be calculated based on the features of the existing hire-purchase agreement (such as timing of early settlement and rate structure) and applied to the net balance due. The intention is to offer early settlement treatment that is broadly comparable to the approach under the HPAA.

- The exact calculation and amount of **Goodwill Discount** may be varied by bank and by product, and will be explained to customers at the point of application for early settlement.

#### **4) Effective date?**

The **Goodwill Discount** programme will be effective starting from the effective date of the HPAA. Maybank will notify the customers once the HPAA has come into effect.

#### **5) Duration?**

The programme will remain available until all fixed rate hire-purchase agreements under Rule of 78 have reached maturity or early settled (estimated 9 years, in line with the maximum vehicle financing tenure).

#### **6) What you need to do?**

Customers who wish to settle their hire-purchase financing early will be provided comprehensive details upon application for early settlement.

Customers who continue making payments according to their agreed schedule until the end of the tenure will not be affected by the **Goodwill Discount** approach. As such, customers may continue to pay the same instalments as originally agreed and do not need to take any action.

Once the HPAA has come into effect, customers are encouraged to visit Maybank official websites ([www.Maybank2u.com](http://www.Maybank2u.com)) or Auto Finance Centres/Auto Hub/Maybank Group Call Centre for more information.

Thank you for your support.