

Fair Treatment of Financial Consumer (Islamic Banking)

The below, which shall take effect on 6th November 2020 for all EXISTING customers, sets out the changes and amendments to the Letter of Offer (Islamic Banking) for the purposes of addressing the Bank Negara Malaysia (BNM)'s Policy Document on Fair Treatment of Financial Consumer.

No.	Clauses	Changes/Amendments
a.	Under the Heading "Availability Period" in relation to unutilized portion of the financing.	The Facility granted is/are available for disbursement for Four (4) / Twelve (12) months from the date of this Letter of Offer or such extended time as the Bank may allow. The unutilised portion of the Facility shall be immediately set off against the Deferred Sale Price and the Facility shall be immediately cancelled thereafter
b.	Under the heading "Payment" in relation to monthly instalment due date and other terms to be imposed by the Bank.	The Bank will notify you when the Instalment payment is to start. You must pay the Instalment payment prior to the due date in the amount, timings, and on such other terms as the Bank may impose from time to time with notice and to be mutually agreed upon.
c.	Under the heading "Cancellation" in relation to The Bank has the right to cancel the Facility.	<p>The information or documents submitted in connection with the application for the Facility:-</p> <ul style="list-style-type: none"> • contains untrue or misleading information or statements; or • is incomplete or not up-to-date; or • contains any form of misrepresentation; or • is forged or tampered with; or • is not acceptable to the Bank.
d.	Under the heading "Cancellation" in relation to unutilized portion of the facility.	In the event that the commodity transaction(s) has been performed by the Bank upon cancellation of the Facility, kindly be informed that the unutilised portion of the Facility shall immediately be set off against the Deferred Sale Price and thereafter, the Facility shall be cancelled immediately.

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e.	<p>Under the heading “Special Condition” in relation to margin of financing for Cagamas financing type.</p> <p>(Only applicable for Cagamas financing product)</p>	<p>The Bank reserves the right to reduce the margin of finance to ninety percent (90%) of the purchase price of the Property or open market value of the Property, whichever is lower in the event Cagamas Berhad cancel its guarantee for any reason.</p>
f.	<p>Under the heading “Method of Financing” in relation to the dual Agency arrangement.</p>	<p>The above Purchase Transaction and Sale Transaction are evidenced by ownership certificates or internal records retained by the Bank and available for your viewing if required. The transactions will be executed in sequence, and in the absence of your prior request as described in Clause 1.3(ii), under the dual Agency arrangement you are deemed to have authorised us to proceed with the Sale Transaction.</p>
g.	<p>Under the heading “Appointment of Agency” in relation to Agent of Purchase.</p>	<p>Pursuant to your acceptance of the terms of this Letter of offer, you appoint the Bank to conclude the Purchase Transaction described in Clause 1.1(ii) of the Commodity on your behalf by executing the Commodity Sale Agreement. The terms and the template of the Commodity Sale Agreement Bank shall be in the form as set out in Annexure 2 herein.</p>
h.	<p>Under the heading “Appointment of Agency” in relation to Agent to Sell.</p>	<p>You hereby appoint the Bank as your sale agent to the effect that the Bank may perform the following:-</p> <ul style="list-style-type: none"> • to sell the Commodity to any third party purchaser at the price amounting to the total sum of the Facility; • to receive payment from the sale of the Commodity on your behalf; and • to deliver possession and title of the Commodity to any third party purchaser.
i.	<p>Under the heading “Appointment of Agency” in relation to act as an agent.</p>	<p>The Bank shall at all times act as your agent and the Bank shall:-</p> <ul style="list-style-type: none"> • act in good faith in conducting the Commodity Transaction; • be authorised to sign and execute all documents and do all acts and observe and perform all obligations required to be done in connection with the appointment as agent, or imposed

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		<p>under the Commodity Transaction pursuant to Clause 1.2 (i) and (ii), from itself and/or to any third party;</p> <ul style="list-style-type: none"> • be authorised to delegate its rights and duties as an agent herein to any third party to do all acts necessary for the completion of the required transactions; and • be required to do all the administration duties regarding the holding and the selling of the Commodity.
j.	Under the heading "Appointment of Agency" in relation to the Bank's fulfilling the agency function.	You hereby undertake to indemnify the Bank and keep the Bank fully indemnified from and against any losses, costs, expenses or damages that the Bank may suffer or incur as a result of fulfilling the Bank's agency function unless it is due to the Bank's gross negligence or willful default.
k.	Under the heading "Review" in relation to the Bank's right to review and vary the Facility.	<p>To the extent permitted by Shariah, the availability, limits, profit rates, commission, fees, charges and terms and conditions of the Facilities are subject to:-</p> <p>(i) guidelines issued by Bank Negara Malaysia or any other authority having jurisdiction over the Bank; and</p> <p>(ii) the Bank's periodical review and variation from time to time.</p>
l.	Under the heading "Redrawing of Facility" in relation to the conditions for redrawal.	<p>For clarity, the following conditions will not be applicable:</p> <ul style="list-style-type: none"> • At the time of redrawing, the Bank is satisfied that the redrawing will not result in breach of any terms of this Letter of Offer or in any of the security documents or in the non-compliance with any guidelines, directives, laws or regulations in force at the time or any time including guidelines and directives issued by Bank Negara Malaysia; • Any other conditions and/or requirement as notified by the Bank to you is fulfilled to the satisfaction of the Bank;

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m.	<p>Under the heading “Variation and Revision of Profit Rate” in relation to the payment of profit or payment of instalment when it is 30 days, 60 days and 90 days in arrears.</p> <p>(not applicable for Priority Home Financing-I product)</p>	<p>Subject always to Shariah requirement and the maximum Contracted Profit Rate of the Facility:</p> <ul style="list-style-type: none"> • If at any time: <ul style="list-style-type: none"> (a) The payment of profit is thirty (30) days in arrears (pending the commencement of instalment payment) ; or the instalment payment is thirty (30) days in arrears; <p>the Bank can vary the profit rate as stated in Clause 2 (Profit Rate) above for the Facility to one point five percent (1.5%) per annum above the Effective Profit Rate with daily rest (or such other rate fixed by the Bank) on the balance outstanding with twenty one (21) days prior notice to you and without affecting the Bank's right to recall the Facility.</p> (b) If you subsequently remedy such default and/or regularise the account, the Bank may vary the profit rate for the Term Financing-i and/or Home Financing-i Facility to 1.50% per annum above the Effective Profit Rate with daily rests (or such other rate fixed by the Bank at any time) on the balance outstanding <ul style="list-style-type: none"> • Subject always to Shariah requirement and the maximum Contracted Profit Rate of the Facility: <ul style="list-style-type: none"> (i) If at any time: <ul style="list-style-type: none"> (a) The payment of profit is sixty (60) days in arrears (pending the commencement of instalment payment; or the instalment payment is sixty (60) days in arrears; <p>the Bank can vary the profit rate for the Facility to one point five percent (1.5%) per annum above the Effective Profit Rate with daily rests (or such other rate</p>

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		<p>fixed by the Bank) on the balance outstanding with twenty one (21) days prior notice to you and without affecting the Bank's right to recall the Facility.</p> <p>(b) If you subsequently remedy such default and/or regularise the account, the Bank may vary the profit rate for the Facility to one point five percent (1.5%) per annum above the Effective Profit Rate with daily rests (or such other rate fixed by the Bank) on the balance outstanding.</p> <ul style="list-style-type: none"> • Subject always to Shariah requirement and the maximum Contracted Profit Rate of the Facility: <ul style="list-style-type: none"> (a) If at any time the payment of the profit is ninety (90) days in arrears (pending the commencement of instalment payment); or the instalment payment is ninety (90) days in arrears, <p>the Bank is entitled to further vary the profit rate to six point four six percent (6.46%) per annum above Islamic Base Rate with daily rests (or such other rate fixed by the Bank) on the balance outstanding with twenty one (21) days prior notice to you and without affecting the Bank's rights to recall the relevant Facility.</p> (b) If you subsequently remedy such default and/or regularise the account, the Bank may vary the profit rate to one point five percent (1.5%) per annum above the Effective Profit Rate with daily rests (or such other rate fixed by the Bank) on the balance outstanding.

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		<ul style="list-style-type: none"> • Subject to always to Shariah requirement and the maximum Contracted Profit Period of the facility: <ul style="list-style-type: none"> (a) After you have remedied such default and/or regularised the account, if: <ul style="list-style-type: none"> i. you pay every payment to the Bank on or before due date of the payment, for twelve (12) months from the date of account is regularised (or such other period determined by the Bank);and ii. there is no other event of default during the said period of twelve (12) months (or such other period determined by the Bank); <p>The Bank may revert the profit rate to the Effective Profit Rate on the balance outstanding, as such time and upon such terms and conditions which the Bank deem fit.</p> (b) For the purposes of this clause, any variation to the profit rates contained in this clause shall be notified to you by giving you a twenty one (21) days' prior notice. • When an Event of Default happens the Bank will immediately become entitled to recover all moneys due and payable under the Facility to the Bank together with the compensation (Ta'widh) at the rate described in Clause 6.

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n.	<p>Under the heading “Variation and Revision of Profit Rate” in relation to the payment of profit or payment of instalment when it is 30 days, 60 days and 90 days in arrears.</p> <p>(only applicable for Priority Home Financing-I product)</p>	<ul style="list-style-type: none"> • Subject always to Shariah requirements and the maximum Contracted Profit Rate of the Facility, if any time: - <ul style="list-style-type: none"> i. the payment of the profit is (90) days in arrears (pending the instalment payment commencement); Or ii. the payment of instalment is ninety (90) days in arrears; <p>the Bank is entitled to vary the profit rate to two point five percent (2.5%) per annum above Islamic Base Rate with daily rests (or such other rate fixed by the Bank) on the balance outstanding with twenty one (21) days prior notice to you and without affecting the Bank’s rights to recall the relevant Facility.</p> <ul style="list-style-type: none"> • When an Event of Default happens the Bank will immediately become entitled to recover all moneys due and payable under the Facility to the Bank together with the compensation (Ta’widh) at the rate described in Clause 6.
o.	<p>Under the heading “Term Governing MRTT” in relation to lapsed Letter of Approval from insurer.</p>	<p>If the Letter of Approval has lapsed, you shall at your own cost and expense do all acts and things to obtain a valid Letter of Approval</p>
p.	<p>Under the heading “Term Governing MRTT” in relation to proceeds received from MRTT claim.</p>	<p>The proceeds received from any MRTT claim shall firstly be applied to settle any outstanding balance and indebtedness under this Facility, regardless whether it is due or not and whether any other surviving customers have taken up MRTT for this Property. The remaining balance (if any) shall be paid to the Covered Person who has taken up this MRTT or the personal representative and/or estate of the Covered Person who has taken up this MRTT,</p>

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		whichever is applicable (“Entitled Person”). For the avoidance of doubt, the surviving customers, whether have taken up another MRTT for this Property or not, are not entitled for the remaining balance (if any) unless agreed in writing by the Entitled Person.
q.	Under the heading “Term Governing MRTT” in relation to lapsed Letter of Approval from insurer.	The MRTT coverage taken up pursuant to this Letter of Offer in which the contribution is financed by the Bank will be cancelled or surrendered upon cancellation of the Facility if the Bank has released the portion of the Facility for the MRTT contribution. You are required to pay all costs, charges and the MRTT contribution chargeable by the Takaful Operator for the cancellation or surrender of the MRTT unless it is due to the Bank’s gross negligence or willful default.
r.	Under the heading “Non-Lodgement of Private Caveat” in relation to the lodgement of private caveat.	The Bank may lodge private caveat on any master title or individual title at your costs and expenses. You agree that you will not hold the Bank liable for its decision.
s.	Under the heading “Instructions” in relation to the instruction given to the Bank	<ul style="list-style-type: none"> • The Bank may at any time refuse to execute any such instructions or any part of it without incurring any responsibility or liability to you arising out of such refusal. • You agree that the Bank is at all times fully entitled (but without being obliged) to demand the sighting and/or receiving of the original copy of the instructions at any time under any circumstances and to impose any other conditions as the Bank deems fit, but reserving always the right not to accept, act on or undo any steps taken in connection with such instructions until after sighting and/or receiving of the original copy of the instructions and being satisfied that all conditions as the Bank deems fit have been complied with.

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Please contact our Loans Service Centres below if you have any clarifications on the changes and amendments to the Letter of Offer:

Pudu Loan Service Centre : 03-9221 0068
USJ Taipan Loan Service Centre : 03-5565 2060
Klang Loan Service Centre : 03-3361 2000
Puchong Loan Service Centre : 03-8062 0021

or your servicing branch for assistance. Please visit our website at www.uob.com.my for the contact numbers of our branches.

Thank You.