

PRODUCT DISCLOSURE SHEET (Read this Product Disclosure Sheet before you decide to take up the Home Equity Financing-i/ Home Equity Financing-i (Redraw). Be sure to also read the general <u>terms in the letter of offer</u> . Seek clarification from the Bank if you do not understand any part of this document or the general terms.)	PUBLIC ISLAMIC BANK BERHAD 197301001433 (14328-V) 1) HOME EQUITY FINANCING-i 2) HOME EQUITY FINANCING-i (REDRAW) DATE:
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1. What is the product about?

Home Equity Financing-i Purchase of residential property jointly with the Bank for owner occupancy and offering the house as security for the financing. Also available for refinancing of residential property for owner occupancy and offering the house as security for the financing.	
[]	Home Equity Financing-i Home equity financing on variable rate basis where the monthly rental is calculated based on the Base Rate (BR) +/- spread.
[]	Home Equity Financing-i (Redraw) Home equity financing with redraw option on variable rate basis where the monthly rental is calculated based on the Base Rate (BR) +/- spread. Customer may opt to redraw the excess payment made towards the facility.

2. What is the Shariah concept applicable?

- Musharakah Mutanaqisah (MM) or Diminishing Partnership - The customer and the Bank jointly acquire and own the property. The customer, as an owner/tenant, promises to acquire periodically the Bank's ownership in the property.
- Ijarah or Leasing - The Bank then leases its share of property to the customer on the basis of Ijarah (lease). The customer pays rental to the Bank under Ijarah, which partially contributes towards increasing their share in the property. At the end of the Ijarah (lease) term and upon payment of all lease rentals, the customer would have acquired all the Bank's shares and the partnership will come to an end with the customer being the sole owner of the property.
- Ijarah Mawsufah fi al-Zimmah or Forward Lease - This contract is only applicable for property under construction. It is a form of Ijarah where the asset is described in advance but is not available at the time of the contract. The asset must be delivered on a future agreed date.
- Wa'd - A unilateral promise which refers to an expression of commitment given by one party to another to perform certain action(s) in the future.

3. What do I get from this product?

Home Equity Financing-i/Home Equity Financing-i (Redraw) (delete where inapplicable)	
Financing Amount	:
Margin of Finance (M/F %)	:
Takaful	:
Tenure (Years)	:
Profit Rate	: BR +
Effective Profit Rate (EPR)	:

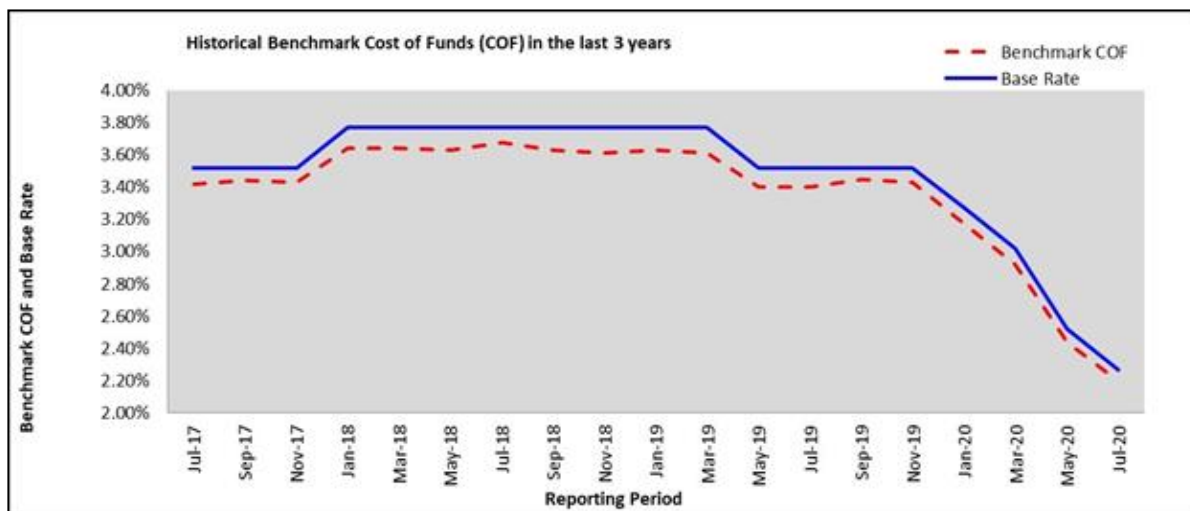
4. What is the Base Rate (BR)?

The Base Rate we offer on this product is made up of two parts, our benchmark Cost of Funds (COF) and the Statutory Reserve Requirement (SRR) cost imposed by Bank Negara Malaysia. Our benchmark COF reflects the cost of raising new funds and 3-month Kuala Lumpur Interbank Offering Rate.

5. What are the possible scenarios to trigger a change in the Base Rate (BR)?

Our BR can rise or fall due to changes in the benchmark COF and changes in the SRR. Changes in the benchmark COF could occur due to changes in the Overnight Policy Rate (OPR) as decided by the Monetary Policy Committee of Bank Negara Malaysia, as well as other factors such as changes in Statutory Reserve Requirement rate and/ or changes to the bank funding conditions.

6. Historical benchmark COF in the last three (3) years



7. What are my obligations?

- Monthly rental: RM _____
- Total payment amount at the end of _____ years is: RM _____
- As the owner/tenant of the property, the customer is required to maintain the property and will be responsible for all maintenance costs such as fire Takaful, quit rent, assessment and others as per the Service Agency Agreement.
- Where the property is under construction, the customer is required to pay monthly rental as per the Shariah contract of *Ijarah Mawsufah fi al-Zimmah* to commensurate with the amount disbursed during the period. Thus, the customer is required to pay full rental amount upon completion of the construction of the property.

Monthly Rental (inclusive of rental and payment of Musharakah units): RM _____

Important Note: Your monthly rental and total payment amount may vary if the Base Financing Rate (BFR) or Base Rate (BR) changes.

Rate	Today (BFR/BR* = %)	If BFR/BR* goes up 1%	If BFR/BR* goes up 2%
Monthly rental	RM		
Total profit cost at the end of _____ years	RM		
Total payment amount at the end of _____ years	RM		

* Delete whichever is not applicable.

Profit for property under construction (if applicable) shall be as follows:

- Grace Period _____ months
- Grace Period Profit: RM _____

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

Fees and Charges	Amount (RM)
8.1 Processing Fees - Up to RM30,000 - RM30,001 to RM100,000 - Above RM100,000	50.00 100.00 200.00
8.2 Stamp Duty - Stamping on Letter of Offer - Stamping on Principal Agreement (Musharakah Mutanaqisah Master Agreement) at RM5 per RM1,000 of the amount financed. Note: Musharakah Mutanaqisah Master Agreement consists of: ✓ Musharakah Contract ✓ Purchase Undertaking ✓ Ijarah Contract ✓ Declaration of Trust ✓ Service Agency Agreement	10.00 Ad valorem
8.3 Termination Fee shall be charged if the facility is cancelled prior to the disbursement. (Note: ONLY APPLICABLE to facility secured by properties and land only (partially or fully secured). This fee is NOT APPLICABLE to facility(ies) which is fully secured by Islamic Investment-i/earmarking by marginal deposit/current account-i, Government/Credit Guarantee Corporation (CGC) financing which is on clean basis.)	2,000.00
8.4 Service Fee for Redraw Facility-i (for each successful redrawal transaction).	50.00
8.5 Other Fees Disbursement fee (include registration of Charge, land search and bankruptcy search fees).	Amount will vary depending on the disbursement amount

9. What if I fail to fulfil my obligations?

9.1 Unless otherwise stipulated under the respective type of facility, in the event of default the Bank reserves the right to impose the following:

- a) For failure to pay any instalments of the facility(ies) from date of the first disbursement until the date of the maturity of the facility(ies), the *ta'widh* (compensation) rate that shall be applied is one per cent (1%) per annum on any overdue amount, or any such rate as approved by Bank Negara Malaysia.

Formula for *ta'widh* on overdue instalment(s) is as follows:

$$\text{Overdue Instalment(s)} \times \text{Ta'widh Rate} \times \frac{\text{No. of Overdue Day(s)}}{365}$$

- b) Please take note that if your account remains in arrears and upon recall of the facility or brought to court for judgement before maturity date, late payment charge of 1% p.a. on the remaining outstanding balance will be imposed.

$$\text{Outstanding Balance} \times 1\% \text{ p.a} \times \frac{\text{No. of Overdue Day(s)}}{365}$$

- c) For failure to pay any instalments and which failure continues beyond the maturity date of the facility(ies), the compensation rate that shall be applied is the Bank's Average Financing Rate* (AFR) on the outstanding balance or any such rate as approved by Bank Negara Malaysia.

The formula for late payment charge after maturity is as follows:

$$\text{Outstanding Balance} \times \text{AR} \times \frac{\text{No. of Overdue Day(s)}}{365}$$

* Also known as "Combined Rate" which consist of two (2) elements namely *ta'widh* and *gharamah*. *Ta'widh* refers to the amount that may be compensated to the Bank based on actual loss incurred due to default while *gharamah* refers to the penalty charged on the defaulters over and above the *ta'widh*.

- d) The Bank shall not compound the compensation payable to the principal amount/financing amount.

9.2 The Bank has the right at any time without notice to you to debit your Current/Savings Account with us towards payment of the monthly payment of the financing and any other charges and/or fees incurred in the granting of the financing including Takaful contribution, quit rent, assessment, cost of an updated/revised valuation reports, fees for searches, legal fees for preparation and perfection of security documents by Bank's solicitors, legal costs incurred in relation to enforcement of security/recovery cost and any other cost or expenses incidental thereto.

9.3 If the financing tenure extends into retirement, you are to advise us on your plans to service the monthly payment after your retirement.

9. What if I fail to fulfil my obligations?, cont.

- 9.4 You are to furnish us all relevant information regarding financing taken from all financial institutions, cooperatives, building societies, credit companies and merchants that provide credit sales etc. and to fully and accurately disclose material information that has a bearing on our financing decision. Failure by you to disclose essential and correct information in the financing application as well as the consequences of providing incomplete or incorrect information may lead to a higher financing rate or rejection of your financing application.
- 9.5 Legal action will be taken if you fail to respond to reminder notices. Your property may be foreclosed and you will have to bear all legal costs. You are also responsible to settle any shortfall after your property is sold.
- 9.6 Legal action against you may affect your credit rating leading to financing being more difficult or expensive to you.
- 9.7 Under specific circumstances where the customer is not contactable, the Bank's obligation is considered to be fulfilled if such notice has been sent to the last known address of the customer at least seven (7) calendar days in advance.

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

In the event of early settlement prior to maturity of financing, the customer undertakes to purchase the Bank's remaining Musharakah units at the Price agreed by both the Customer and the Bank.

11. Do I need any Takaful coverage?

Mortgage Reducing Term Takaful (MRTT) ☐ Yes ☐ No

Fire/House Holder/House Owner Takaful ☐ Yes ☐ No

Note:

The customer can refer to the Branch on the list of panel Takaful operators. The Bank may provide quotations for any compulsory Takaful offered by the Bank's panel of Takaful operators but the customer is free to use the service of non-panel Takaful operators. However, only the amount from Takaful providers approved by the Bank may be financed.

12. Do I need a guarantor or collateral?

Guarantor/Corporate Guarantor Required ☐ Yes ☐ No

Collateral ☐ Yes ☐ No

13. What are the major risks?

The profit rate on this facility is pegged to the Base Financing Rate (BFR) or Base Rate (BR) which may fluctuate from time to time. An increase in profit rates may result in higher monthly rental/extension of financing tenor.

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

It is important that you inform us (written notice to be sent to the account holding branch) of any change in your contact details to ensure that all correspondences reach you in a timely manner.

15. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives.
- If you wish to complain on the products or services provided by us, you may contact us at:

Public Islamic Bank Berhad
14th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur

Telephone : 1-800-22-5555
Fax : 03-2162 2224
E-mail : islamicbkg@publicislamicbank.com.my
Website : <https://www.publicislamicbank.com.my>

- 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 can contact AKPK at:

Tingkat 8, Maju Junction Mall
1001, Jalan Sultan Ismail
50250 Kuala Lumpur

Telephone : 03-2616 7766
E-mail : enquiry@akpk.org.my

- 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

Telephone : 1-300-88-5465
Fax : 03-2174 1515
E-mail : bnmtelink@bnm.gov.my

16. Where can I get further information?

Should you require additional information on Islamic house financing, please refer to the *bankinginfo* website at www.bankinginfo.com.my.

IMPORTANT NOTE: YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR HOME FINANCING-i.

Signature/Date :

Officer/SME Name :

- I confirm a copy of this disclosure form has been provided and briefed to the applicant.
- The information provided in this disclosure sheet is valid as at date hereof.