

## Revision of Terms & Conditions for Property Financing

With effect from 28 August 2019, the Bank will apply the principles of fair treatment to all our customers with housing loans.

As we have amended our terms over the years, not all the clauses in the new facility agreement may be applicable to you. We did not introduce any new terms which requires action from our customers but we have made our terms simpler and easier to understand.

We have also incorporated prior notice to you for changes to terms and have also reduced legal and technical terms in the loan agreement and security documentation. Other main clauses have been revised and amended as follows.

### LETTER OF OFFER FOR CREDIT FACILITY

No	Provision	Previous Clause prior to review	Revised Clause
1	<b>Facility Interest Rate and Repayment</b>	<p><u>Note:</u> * Our current BR (Base Rate) is at &lt; &gt;% per annum, and is subject to variation at the Bank's discretion.</p> <ul style="list-style-type: none"> <li>- In the event there is revision in the BR, the instalment amount or the repayment period will be revised accordingly.</li> <li>- For facility with multiple tiers interest rate, the first tier rate shall commence 3 months from the issuance date of this letter of offer.</li> </ul> <p><del>The Bank reserves the right to vary the above Facility Interest Rate in the event of late payment of monthly instalment or any monies due and arising out of the Facility given.</del></p>	<p><u>Note:</u> * Our current BR (Base Rate) is at &lt; &gt;% per annum, and is subject to variation at the Bank's discretion.</p> <p>The Bank is unable to disclose all the reasons why a change in BR may be needed in the future, but if the Bank does make changes, prior notice will be given</p> <ul style="list-style-type: none"> <li>- In the event there is revision in the BR, the instalment amount or the repayment period will be revised accordingly.</li> <li>- For facility with multiple tiers interest rate, the first tier rate shall commence 3 months from the issuance date of this letter of offer.</li> </ul>
2	<b>Overdue Interest Rate</b>	<p>If there is any late payment of any monies due and payable <del>of</del> the Facility <del>extended to you</del>, the Bank will charge <del>you an</del> overdue interest of 1% per annum or at such other rate as the Bank shall determine from time to time on the overdue instalment amount from the payment due date until date of actual payment (Overdue Interest Rate).</p>	<p>If there is any late payment of any monies due and payable <u>under</u> the Facility, the Bank will charge overdue interest of 1% per annum or at such other rate as the Bank shall determine from time to time <u>subject to any BNM regulations</u> on the overdue instalment amount from the payment due date until date of actual payment (Overdue Interest Rate).</p>
3	<b>Default Interest Rate</b>	<p>If there is any late payment of any monies due and payable of the Facility, the Bank may also at its</p>	<p>If there is any late payment of any monies due and payable of the Facility, the Bank may also at its discretion and with prior</p>



		<p><del>absolute</del> discretion and with prior notice to you, increase the Facility Interest Rate <del>to the rate of</del> 1.30% <del>plus the applicable Facility Interest Rate</del> or <del>any</del> other interest rate as may be prescribed by the Bank at the time of the default (Default Rate).</p> <p>The Default Rate will be applicable until the account has been regularised.</p>	<p>notice to you, increase the applicable Facility Interest Rate by an additional 1.30% or apply such other interest rate as may be prescribed by the Bank at the time of the default (Default Rate) to reflect your the credit deterioration.</p> <p>The Default Rate will be applicable until the account has been regularised.</p>
4	<b>Legal and Valuation Fees and Expenses</b>	<p>a) The following fees and expenses incurred shall be paid by you unless otherwise stated in the Additional Conditions of this Letter of Offer:</p> <p>i. The legal fees for preparation <del>of</del> and <del>attending to</del> the security documentation of the Facility including the <del>Bank's</del> legal fees and expenses for the Discharge of Charge / Receipt and Reassignment (if relevant);</p> <p>ii. Stamp duty, registration fees and any related cost for the preparation and <del>attending to</del> the security documentation of the Facility;</p> <p>c) In the event the Facility is withdrawn or cancelled for whatever reason after <del>the</del> acceptance of this Letter of Offer, you shall be liable to pay <del>all</del> the necessary legal fees and expenses <del>already</del> incurred in connection with the preparation and attending of the security documentation.</p> <p>You shall also be liable to pay the valuation charges <del>of the Property</del> in relation to the preparation of the formal valuation report. <del>You understand that if you fail in the payment of any part of the mentioned fees and costs, the respective solicitors and/or</del></p>	<p>a) The following fees and expenses incurred shall be paid by you unless otherwise stated in the Additional Conditions of this Letter of Offer:</p> <p>i. The legal fees for preparation and perfection of the security documentation of the Facility including the legal fees and expenses <del>incurred by the Bank</del> for the Discharge of Charge / Receipt and Reassignment (if relevant);</p> <p>ii. Stamp duty, registration fees and any related cost for the preparation and perfection of the security documentation of the Facility;</p> <p>c) In the event the Facility is withdrawn or cancelled for whatever reason after your acceptance of this Letter of Offer, you shall be liable to pay the necessary legal fees and expenses incurred in connection with the preparation and attending of the security documentation.</p> <p>You shall also be liable to pay the valuation charges <del>incurred</del> in relation to the preparation of the formal valuation report.</p>



		<p><del>valuer shall be entitled to recover the indebtedness or any part thereof from you through the process of law.</del></p> <p>e) Upon your acceptance of this Letter of Offer, please pay to us the sum of RM&lt; &gt; being the non-refundable indicative valuation fees and expenses for the Property (“The Indicative Sum”).</p> <p><del>We prefer that you</del> pay the Indicative Sum to your loan account or any other account. Please do not <del>hand-over-any</del> cash to <del>the sales executives</del>.</p>	<p>e) Upon your acceptance of this Letter of Offer, please pay to us the sum of RM&lt; &gt; being the non-refundable indicative valuation fees and expenses for the Property (“The Indicative Sum”).</p> <p>Please pay the Indicative Sum to your loan account or any other account. Please do not make any cash payments to HSBC employees.</p>
5	<b>Availability Period</b>	The Facility must be fully disbursed within < > months (the Availability Period) from the date of this Letter of Offer and any portion of the Facility which has not been disbursed may be cancelled <del>with no notice given</del> .	The Facility must be fully disbursed within < > months (the Availability Period) from the date of this Letter of Offer and any portion of the Facility which has not been disbursed may be cancelled.
6	<b>Specific Boundary Limit</b>	This Letter of Offer is valid only within <del>the national boundary which the Bank operates in</del> and subject to the <del>applicable</del> laws, regulations and jurisdiction. Acceptance of the terms and conditions herein <del>beyond the said boundary of operation does not</del> constitute a formal acceptance to this Letter of Offer but an expression of willingness to agree to the terms subject to the banks subsequent acceptance <del>within the boundary which the Bank operates in</del> .	This Letter of Offer is valid only within Malaysia and subject to the Malaysian laws, regulations and jurisdiction. Acceptance of the terms and conditions herein outside Malaysia not constitute a formal acceptance to this Letter of Offer but will be an expression of your willingness to agree to the terms subject to the bank’s subsequent acceptance.
7	<b>Additional Conditions</b>	Notwithstanding your acceptance of this offer, or before the disbursement of the Facility, the Bank reserves the right to withdraw this offer <del>without assigning any reason therefor</del> .	Notwithstanding your acceptance of this offer, or before the disbursement of the Facility, the Bank reserves the right to withdraw this offer if:- <ul style="list-style-type: none"> <li>(i) to continue, may potentially place the Bank (or any other member of the HSBC Group) in breach or potential breach of any applicable laws or regulations;</li> </ul>



			<ul style="list-style-type: none"> <li>(ii) any information that you have provided is false or misleading;</li> <li>(iii) if it is subsequently discovered that there are restrictive covenants or conditions on the title deed of the property charged/ to be charged and/or that there are restrictive clauses in the Sale and Purchase Agreement which may jeopardise or otherwise negatively impact the recovery of the Facility or value of the security granted;</li> <li>(iv) if you have either failed or are unable to fulfil any condition precedents as set out herein or in any other security documents;</li> <li>(v) if arising from public search records of the property and/or developer, we are of the opinion that the Facility, if released, will not for any reason whatsoever be adequately secured;</li> <li>(vi) if any legal proceedings, suit or action of kind whatsoever (whether criminal or civil) is instituted against you and/or any of the security providers; or</li> <li>(vii) there has been a material deterioration in your creditworthiness.</li> </ul>
		<p>I/We, the undersigned hereby:</p> <p>a) I/We understand and accept this Letter of Offer and the terms stated in enclosed Annexure and also</p>	<p>I/We, the undersigned hereby:</p> <p>a) I/We understand and accept this Letter of Offer and the terms stated in enclosed Annexure and also acknowledge that I/We have been</p>



		<p>acknowledge that I/We have been briefed by your staff or representative on the features of the Facility.</p>	<p>briefed by your staff or representative on the features of the Facility.</p> <p>I/We undertake to comply with Bank Negara Malaysia's Foreign Exchange Administration regulations available at <a href="http://www.bnm.gov.my/fxadmin">www.bnm.gov.my/fxadmin</a>) at all times and in particular , if I am a Non Resident as defined in the Foreign Exchange Administration regulations, to utilise the loan/ financing granted by the Bank solely for the following activities in Malaysia:</p> <ol style="list-style-type: none"> <li>1. Production or consumption of goods or services, other than <ol style="list-style-type: none"> <li>i. Activities in the financial services sector;</li> <li>ii. The purchase of security or Islamic security</li> <li>iii. The purchase of financial instrument or Islamic financial instrument; or</li> </ol> </li> <li>2. The construction or purchase of a residential or commercial property excluding the purchase of land only.</li> </ol>
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#### ANNEXURE FOR CREDIT FACILITY

No	Provision		Revised Clause
1	Repayment Term	<p><b><u>Terms and conditions applicable to HomeSmart:</u></b></p> <p>a) Interest <del>will be charged by us on daily rest basis at the rate stated in the Letter of Offer on the outstanding Facility Amount</del> and is payable monthly to the Bank <del>by debiting</del> your account.</p> <p>c) The monthly instalment shall commence one month from the date of full disbursement of the Facility or the expiry of the Availability Period, whichever is the earlier, <del>and thereafter on the same day of each subsequent month or on such other date as shall be fixed from time to time by the Bank.</del></p>	<p><b><u>Terms and conditions applicable to HomeSmart:</u></b></p> <p>a) Interest at the Facility Interest Rate will be calculated daily based on the outstanding Facility Amount from the previous day and is payable monthly in arrears to the Bank. <del>The Bank will debit your account on the due date and you are required to ensure that your account has sufficient funds at all times.</del></p> <p>c) The monthly instalment shall commence one month from the date of full disbursement of the Facility or the expiry of the Availability Period, whichever is the earlier.</p>
2	Facility Repayment	<p>b) <del>The onus of ensuring</del> that such periodical repayments <del>are</del></p>	<p>b) <del>Please ensure that</del> that such periodical repayments <del>is correctly</del></p>



	<p><b>and Standing Instruction</b></p>	<p><del>made is on you and accordingly the Bank shall not incur any liability through any refusal or omission to make all or any of the payments.</del></p> <p>d) The Bank may <del>in its absolute discretion</del> <del>conclusively</del> determine the order of priority of payment of any moneys pursuant to this or any order, or cheque drawn on your account or instructions (whether written or otherwise) which you have or may hereafter give to the Bank.</p>	<p>reflected in your accounts.</p> <p>d) The Bank may determine the order of priority of payment of any moneys pursuant to this or any order, or cheque drawn on your account or instructions (whether written or otherwise) which you have or may hereafter give to the Bank if there are insufficient funds in your account. However the priority of payments from your account will generally be on the basis of instructions (including standing instructions) 1st received.</p>
3	<p><b>Prepayment and Redrawal Facility</b></p>	<p><b><u>Terms and conditions applicable to HomeSmart:</u></b></p> <p>a) You may make prepayment to your loan account subject to the following conditions:</p> <p>i. Amount paid to the loan account will be firstly applied towards settlement of <del>all payment due, which may include instalment, overdue interest, insurance premium/takaful contribution, service fee and charges.</del> Any surplus will then be applied as prepayment to reduce the outstanding Facility Amount</p> <p><b><u>Terms and conditions applicable to HomeMaker:</u></b></p> <p>a) You may make prepayment which are in excess of the Instalment Amounts to reduce the total outstanding Facility amount in part provided:</p> <p>iii. The prepayment amount will be first used to settle all accrued interest, thereafter any amounts due, and lastly, to reduce the outstanding Facility Amount; and</p> <p>iv. The Bank may <del>at</del> its <del>absolute</del> discretion make an adjustment to Instalment Amounts or</p>	<p><b><u>Terms and conditions applicable to HomeSmart:</u></b></p> <p>a) You may make a prepayment to your loan account subject to the following conditions:</p> <p>i. Amount paid to the loan account will be firstly applied towards settlement of <b>principal and interest, followed by outstanding fees and charges.</b> Any surplus will then be applied as prepayment to reduce the outstanding Facility Amount.</p> <p><b><u>Terms and conditions applicable to HomeMaker:</u></b></p> <p>a) You may make prepayment which are in excess of the Instalment Amounts to reduce the total outstanding Facility amount in part provided:</p> <p>iii. The prepayment amount will be first used to settle all <b>fees and charges</b>, accrued interest, thereafter any amounts due, and lastly, to reduce the outstanding Facility Amount; and</p> <p>iv. The Bank may in its discretion make an adjustment to Instalment Amounts or the number of</p>



		the number of monthly instalments.	monthly instalments to reflect the reduced total outstanding Facility amount.
4	<b>Additional Terms and Conditions</b>	<p>a) All terms and conditions including interest rates, fees and charges stipulated are current and subject to any applicable tax, if any and may be <del>changed</del> from time to time at the Bank's discretion and/or <del>as per</del> Bank Negara Malaysia (BNM)'s directive.</p> <p><del>b) The Bank retains the right to reduce the Facility Limit at any point of time within the Facility Tenure provided that a 1 month's notice is issued to you.</del></p> <p><del>d) This Facility is subject to review at any time at the discretion of the Bank and, in any event of default and subject to our customary overriding right of repayment on demand and subject to there being no breach of applicable guidelines as issued by Bank Negara Malaysia and/or the policies of the Bank in effect from time to time governing continued operations of the customer's current account (regardless of whether any overdraft thereon has been granted or otherwise) to a right of closure.</del></p>	<p>a) All terms and conditions including interest rates, fees and charges stipulated are current and subject to any applicable tax, if any and may be <del>varied</del> from time to time at the Bank's discretion and/or <del>pursuant to</del> Bank Negara Malaysia (BNM)'s directive with prior notification to you.</p> <p>b) Where the facility granted (or any part thereof) is an overdraft facility ("Overdraft Facility"), the facilities are callable and repayable on demand by the Bank. The Bank retains the right to reduce or cancel the undrawn Overdraft Facility Limit at any point in time and where the Overdraft Facility has been utilised, the Bank reserves the right to withdraw or terminate the facilities at any time provided that one (1) month's prior notice is issued to you.</p> <p>d) This Facility is immediately repayable on demand by the Bank on an event of default. Until such a demand is made by the Bank, the Facility is repayable in the manner stated in this Facility Offer Letter.</p>
		e) Inspection and valuation of the property may be obtained by the Bank <del>at its absolute discretion from time to time</del> from a firm of approved valuers, the cost <del>of which</del> will be charged to your <del>account</del> .	e) Inspection and valuation of the property may be obtained by the Bank <del>as and when necessary</del> from a firm of approved valuers. The cost will be charged to you <del>unless the valuation is part of the Bank's periodic risk management process.</del>



	<p>h) Subject to the provisions of the security documents (if any), if any amount received or recovered in respect of your liabilities hereunder or any part thereof is less than the amount then due, the Bank shall apply that amount to principal, interest, fees or any other amount then due and payable hereunder in such proportions and order of priority and generally in such manner as the Bank may determine.</p> <p>i) If the effect of any, or a change in any, law or regulation is to increase the cost to us of advancing, maintaining or funding this facility or to reduce the effective return to us, we reserve the right to <del>require payment on demand of such amounts as we consider necessary to compensate us therefore.</del></p>	<p>h) Subject to the provisions of the security documents (if any), if any amount received or recovered in respect of your liabilities hereunder or any part thereof is less than the amount then due, the Bank shall apply that amount to principal, interest, fees or any other amount then due and payable hereunder in such proportions and order of priority and generally in such manner as the Bank may determine. If the effect of any, or a change in any, law or regulation is to increase the cost to us of advancing, maintaining or funding this facility or to reduce the effective return to us, we reserve the right to <b>increase the interest margin to reflect such costs increase.</b></p>
	<p>k) The Bank reserves the right to recall the Facility if not used for the purpose granted or if used for an illegal or speculative purpose <del>which the Bank shall in its absolute discretion determine.</del></p>	<p>j) The Bank reserves the right to recall the Facility if not used for the purpose granted or if used for an illegal or speculative purpose <b>or if you are otherwise in breach of any representation or undertakings.</b></p>
	<p><del>m) Notwithstanding that you may have accepted this offer and/or that all agreements and security documents relating thereto have been executed by all concerned, we reserve the right at the Bank's absolute discretion and no liability whatsoever shall attach to the Bank in so doing, to abrogate or withdraw this offer and/or to withhold the disbursement or the release of the Facility in any of the following events:</del></p> <p><del>i. if it is subsequently discovered that there are restrictive covenants or conditions on the title deed of the property charged to be charged and/or that there are restrictive clauses in the Sale and Purchase Agreement and which in our</del></p>	





		<p><del>opinion is deemed to be unfavourable to us or which may jeopardise, endanger or threaten our eventual recovery of the Facility;</del></p> <p><del>ii. if you have either failed or are unable to fulfil any condition precedents as set out herein or in any other security documents;</del></p> <p><del>iii. if we are of the opinion that the Facility, if released, will not for any reason whatsoever be adequately secured;</del></p> <p><del>if any legal proceedings, suit or action of kind whatsoever (whether criminal or civil) is instituted against you and/or any of the security providers.</del></p>	
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