

Revision to the Default Rate clause in the Letter of Offer for Housing Loan / Term Loan / Flexi-Mortgage Facility and Variation and Revision of Profit Rate in the Letter of Offer for Home Financing-i/ Term Financing-i with effect from 8 Jan 2023

Q1	What default interest rate/variation profit rate are being charged by your Bank?		
A1		Default Interest Rate/Variation Profit Rate	
	Default Stage	Conventional Loans	Islamic Financing¹
	30dpd	PR + 0.50% p.a.	EPR + 0.50% p.a.
	60dpd	PR + 0.50% p.a.	EPR + 0.50% p.a.
	90dpd	PR + 1.00% p.a.	EPR + 1.00% p.a.
	Observation Period	<ul style="list-style-type: none"> • 6 months upon full regularization (i.e. full repayment of all arrears due) of account • Applicable to accounts that entered the 60dpd and/or 90dpd default stage • PR + 0.50% p.a. 	<ul style="list-style-type: none"> • 6 months upon full regularization (i.e. full repayment of all arrears due) of account • Applicable to accounts that entered the 60dpd and/or 90dpd default stage • EPR + 0.50% p.a.
<p>Note ¹ : Subject to maximum Contracted Profit Rate PR : Prescribed Rate EPR : Effective Profit Rate dpd : Days Past Due p.a. : per annum</p>			
Q2	What is observation period?		
A2	<p>Observation period is the period of which an account is placed under monitoring upon regularization (i.e. full repayment of all arrears due) of their account.</p> <p><u>Example for Conventional Loans:</u> Account that has defaulted in payment for 60dpd and/or 90dpd and upon full regularization of the account to current status, the interest rate of the account will be revised to Prescribed Interest Rate + 0.50% per annum for the next 6 months (“observation period”) and there must be no occurrence of any event of default within the observation period, before the interest rate is reverted to the Prescribed Interest Rate.</p>		

	<p><u>Example for Islamic Financing:</u> Account that has defaulted in payment for 60dpd and/or 90dpd and upon full regularization of the account to current status, the profit rate of the account will be revised to Effective Profit Rate + 0.50% for the next 6 months (“observation period”) and there must be no occurrence of any event of default within the observation period, before the profit rate is reverted to the Effective Profit Rate.</p>
Q3	What should I do for the interest/profit rate of my account which has entered into 60dpd and/or 90dpd to be revised back to my Prescribed Interest Rate/Effective Profit Rate?
A3	Interest/Profit rate will be reverted to your Prescribed Interest Rate/Effective Profit Rate upon full regularization of account with prompt payments for 6 months consecutively subject to no event of default during the said period.
Q4	Based on what reasons the Bank revises my interest/profit rate?
A4	Credit deterioration of the account which changes your risk profile is one of the criteria that will trigger a review of your account and such review may result in the revision of your interest/profit rate.
Q5	Did the Bank inform me prior to the interest/profit rate revision?
A5	The Bank has sent reminder notice to you at your address last known to us when your account defaulted in payment 21 days prior to the interest/profit rate revision.
Q6	What happens if I failed to pay the revised instalment amount?
A6	If you failed to pay the revised instalment amount promptly, you: <ul style="list-style-type: none"> (a) will not be able to settle in full your loan/financing within the original loan/financing tenure; (b) may be required to pay a lump sum amount in excess of the revised monthly instalment upon maturity of the loan/financing; and (c) will incur additional cost of financing.
Q7	What should I do if I can't afford to pay the revised instalment amount?
A7	Please do not hesitate to contact our Loan Support Centres or your account branch for assistance.
Q8	Can I appeal for the Bank to revise back to my Prescribed Interest Rate/Effective Profit Rate upon full payment of all arrears?
A8	Yes. You may write in to appeal and the Bank will give due consideration based on justification provided by you.

	<p>Please contact our Loan Support Centres or your account branch for assistance.</p> <p>If your account is currently in arrears, please contact our Retail Collection Centre for assistance at Tel No. 03-2637 3406/3407.</p>
Q9	Do I have to update my Standing Instruction with your Bank?
A9	<p>If you maintain a Standing Instruction to pay the loan/financing amount due (without specifying a fixed amount) into your loan/financing account, no action is required from you.</p> <p>However, if you maintain a Standing Instruction to pay a fixed amount into your loan/financing account, please provide to us a fresh Standing Instruction for the revised instalment amount, failing which, if the revised instalment amount is more than your Standing Instruction payment amount, any amount in arrears may cause your account to be in default or if the revised instalment amount is less than the amount stated in the Standing Instruction, the excess amount may not be treated as prepayment but may be treated as advance payment. It will not be applied towards reduction of the outstanding principal amount.</p>
Q10	How can I find out what is my current prescribed interest rate/effective profit rate?
A10	<p>You may refer to your Letter of Offer, assess your Loan/Financing Account via internet banking or alternatively, you may contact our Loan Support Centres below:</p> <p>Pudu Loan Support Centre : 03-9221 0068 USJ Taipan Loan Support Centre : 03-5565 2060 Klang Loan Support Centre : 03-3361 2000 Puchong Loan Support Centre : 03-8090 7447</p> <p>Or your account branch for assistance. Please visit our website at www.uob.com.my for the contact numbers of our branches.</p>