


**LOAN DOCUMENTATION PROCESS – SERVICE LEVEL FOR SOLICITORS
 (FOR BUSINESS BANKING (BB) & ENTERPRISE MASS MARKETING (EMM))**
 [Updated : 31 December 2009]

No.	Matter
1.	<p><u>BANK'S NEW STANDARD LOAN & SECURITY DOCUMENTATION</u></p>  <p>(a) Standard Documents : Updated version : 31 December 2009 (This new standard documents will apply for all letters of instruction issued by Bank wef 1 January 2010)</p> <p>(b) Availability : These standard documents come in CD Rom and is available to Panel Lawyers from the following venues –</p> <ul style="list-style-type: none"> • BBKA Cluster - Kuala Lumpur, Johore Bahru, Muar, Ipoh and Penang; • BBKA at all the other branches - Kuantan, Kota Baru, Kuching and Kota Kinabalu. <p>(c) Write Protected : For consistency in loan management, credit reviews, and recovery processes, the Standard Documents are write protected except for the Schedules where details of borrower, dates of letter of offer/Facilities Agreement etc are to be inserted.</p> <p>(d) Cost : RM800-00 per CD Rom.</p> <p>(e) Documentation Administration fee : RM100-00 per letter of instructions</p> <p>(f) Photostating charges (billed to borrower) : Not to exceed RM100-00 per letter of instructions.</p> <p>(g) Updates to Standard Documents : Will be available periodically via override to entire CD Rom. Please refer to our website at www.ocbc.com.my to keep yourself posted on the Bank's list of Standard Documents and updated versions.</p>
2.	<p><u>Turnaround Time</u></p> <p>The turnaround time for the loan documentation process for facilities secured by property with individual title/without individual title and other securities is set out in the <u>SCHEDULE</u>.</p>
3.	<p><u>Customization of loan/security documentation, wherever required, must be advised by Attending Lawyer</u></p> <p>Not all credit facilities granted by the Bank can be documented using the Standard Documents. In such cases, notwithstanding that the Bank had issued instructions to the attending lawyer to use the Standard Documents, the lawyer in attendance must advise the Bank and draft the appropriate documents to be used to best cater to the circumstances to safeguard the Bank's interests at all times.</p> <p>The attending lawyer must at all times ensure that the Standard Documents, formats/ templates provided by the Bank are suitable for the case at hand.</p>
4.	<p><u>Advice given by Attending Lawyer</u></p> <p>Advice given by attending lawyer to the Bank must be precise, clear and unambiguous as to the legality, validity and enforceability of the Bank's rights against the borrower, guarantors, security parties and the securities taken.</p> <p>Advice or actions proposed by attending lawyer to safeguard Bank's legal and security position in the financing arrangement must be given on a timely basis to enable the Bank to review the financing/security arrangement, if necessary, or take such other action, without compromising the Bank's rights.</p>

	The <u>Drawdown Checklist</u> – this checklist is intended to be a guide only.		
5.	<u>Routing of Communication & Documents</u> All correspondences/documents/communication to the Bank are to be routed to the respective BBKA. Contact details of the relevant BBKA are stated in the Bank's letter of instruction addressed to your firm.		
6.	<u>Administrative Details</u> You are to inform the Bank in writing immediately of the change of any of the following details of your firm: (a) Name, address and other contact details, including email addresses of your firm; (b) Partner(s)-in- charge of OCBC Bank's work; (c) Retirement or appointment of new partner(s); (d) Professional Indemnity Insurance.		
7.	Letter of Instructions (LI) to your firm	<u>Housing Loans and loans to individuals for purchase of commercial projects</u> Authorised officers of Secured Loan Operations will issue the LI	<u>Business Loans to sole proprietor partnership and companies</u> Authorised officers of BBKA will issue the LI
<u>SCHEDULE</u>			
A. FOR CREDIT FACILITIES USING BANK'S STANDARD DOCUMENTS			
No.	Loan /Security Documentation Process	Turnaround Time From Start Date (unless stated otherwise)	
1.	Date of Bank's Letter of Instructions to Solicitors	Start Date	
2. 2.1	<u>Execution of Documents</u> <u>Execution by borrower/security parties</u> Execution of FA, security documents and other related documents set out in the Letter of Offer and as advised by attending lawyer. Note : If the Bank's standard documents are not suitable for the case at hand, Bank must be notified and customized drafts must be prepared. Every effort must be made to comply with this timeline even for such cases.	1- 2 weeks from Start Date	

2.2	<p><u>Documents Sent to Bank For Execution</u></p> <p>(a) Forward FA, security documents to Bank for execution.</p> <p>(b) Where undertakings/confirmations are required from the Bank, please advise the Bank on the content of these undertakings/confirmations and request for them from the Bank at this point in time. Note : Where an unconditional undertaking is required by the vendor/developer from the Bank (save for payment of the differential sum between the purchase price and the loan sum) the Bank will only issue the undertaking after all other conditions precedent for loan release have been fulfilled except for the payment of the differential sum.</p> <p>(c) Execution and return of FA and security documents by Bank;</p> <p>(d) Where documents require amendments, solicitors to revert within 3 days from receipt of documents.</p>	2 weeks from Start Date
3.	<p><u>Searches</u></p> <p>(a) CCM/Registrar of Societies (b) Land searches (c) Director General of Insolvency</p>	2 weeks from Start Date
4.	<p><u>FULFILLMENT OF CONDITIONS PRECEDENT</u></p> <p>4.1 <u>Obtain Undertakings /Consents from third parties</u></p> <p>Request and obtain the requisite letters of undertaking/redemption statement from:</p> <p>(1) Developer/ Proprietor/Vendor/Contractor ; (2) Bridging Financier/Existing Chargee; (3) Purchaser's & Vendor's Solicitors undertakings; (4) Others undertakings as advised by attending lawyer.</p>	2 – 3 weeks from Start Date

4.2	<p><u>Obtain Consents from State Authority / FIC / other Government or Statutory Authority or Body</u></p> <p>The situations where such consents are required include, without limitation, the following -</p> <ul style="list-style-type: none"> (a) where transfer or charge of property to be secured to Bank requires consent of State Authority (b) Where purchaser /borrower is a non-citizen/foreign company - FIC & State Authority's approval for acquisition of property. (c) Where property is a Malay Reserve Land and the Chargor is non-Malay – approval may be obtained from the State Authority if legally permissible under the relevant state Malay Reservation Enactment. (d) Other consents as advised by attending lawyer. 	<p>6 – 8 weeks from Start Date or within the time frame (“Cut-off Date”) in SPA (if any), to obtain the consent, whichever is the earlier.</p>
4.3	<p><u>Obtain Consents of Shareholders / Creditors / Debenture Holders etc of Borrower/Security Parties</u></p> <p>The situations where such consents are required, include without limitation, the following –</p> <ul style="list-style-type: none"> (a) where the relevant provisions of the borrower's/security parties Memorandum and Articles of Association require such approval or restrict the contemplated transaction; (b) Where the Companies Act, Listing Requirements of Bursa Saham Malaysia or any other laws or regulations requires such consents to be obtained; (c) Where the borrower/security party had issued debenture or given negative pledge to creditor or land on which asset financed by Bank is affixed is owned/charged to third party; (d) Where security required by Bank is an assignment of rental/contract proceeds and the contract restricts assignment of rights; (e) Other consents as advised by attending lawyer. 	<p>4 – 8 weeks from Start Date or within the time frame (“Cut-off Date”) in SPA (if any), to obtain the consent, whichever is the earlier.</p>
5.	<p><u>Perfection of Security</u></p> <p>These include, without limitation the following –</p> <ul style="list-style-type: none"> (a) Stamping of Facility Agreement and security documents; (b) Presentation, lodgement or filing of security documents at relevant registries; (c) Other security/documentation perfection requirements as advised by attending lawyer. 	<p><u>Security over unencumbered property, no consents required:</u></p> <p>2 – 3 weeks from Start Date.</p> <p>Exception :</p> <ul style="list-style-type: none"> ➤ where the case falls within Items 4.1 : 3 - 4 weeks from Start Date ➤ where the case falls within 4.2 or 4.3 : 1 week from receipt of Consent or at least 1 week before

		Completion Date in SPA, whichever is earlier
6.	<p><u>Advise Release</u></p> <ul style="list-style-type: none"> (a) Advise conditions precedent have been complied with; (b) Such other advice as may be required in the circumstances of the case; (c) Forward Consents obtained to Bank; (d) Forward original stamped FA, security documents, original SPA, other contracts etc to Bank; (e) Advise release of redemption sum or facilities (as the case may be). <p><u>Note :</u></p> <ul style="list-style-type: none"> ➤ Where facilities progressively released, include the Developer's billing/invoice & CTC of architect's certificate. ➤ If completion period has expired or will be expiring soon, to obtain confirmation from Vendor that SPA is extended, before advise release. 	<p><u>Security over unencumbered property, no consents required:</u></p> <p>3 weeks from Start Date.</p> <p><u>Exception:</u></p> <ul style="list-style-type: none"> ➤ where the case falls within Items 4.1 : 3 - 4 weeks from Start Date; ➤ where the case falls within 4.2 or 4.3 : 1 week from receipt of Consent or at least 1 week before Completion Date in SPA, whichever is earlier.
7.	<p><u>Documents sent to Bank – For Safe-Keeping</u></p> <p>Forward to Bank for safe-keeping the original title, security documents duly registered at the relevant registries, certificates of registration etc.</p>	<p>Upon receipt from the relevant registry but should not exceed 8 weeks from presentation, registration or filing, as the case may be.</p>
<p><u>KEY :</u></p> <p>BB : Business Banking BBCA : Business Banking Credit Administration CCM : Companies Commission of Malaysia EMM : Enterprise Mass Marketing FA : Facilities Agreement FIC : Foreign Investment Committee SPA : Sale And Purchase Agreement</p>		