

**PRODUCT DISCLOSURE SHEET**

(Please read this Product Disclosure Sheet before you take up MANARAT HOME-i.

Be sure to also read the terms set out in the letter of offer. Seek clarification from OCBC Al-Amin if you do not understand any part of this document or the general terms)

**OCBC Al-Amin Bank Berhad  
(200801017151/818444-T) (“Bank”)**

Product: **Manarat Home-i**

Contract: **Ijarah Muntahiah Bi Al\_Tamlik**

Date:

**1. What is the product about?**

A financing facility to either finance the purchase of residential properties for owner-occupation or to refinance an existing property from an existing financier. You shall not sub-lease or permit third parties (except for social or familial purposes without remuneration and not for profit) to use the Property unless with the Bank's prior written consent.

Payment is by monthly rentals of such amount (of principal and profit calculated on daily rest basis) in such manner set out in the letter of offer. The monthly rental may be revised from time to time with [21] days' advance notice.

This is an Islamic home financing scheme based on variable rates with your property as a security for this financing.

**Advance Payment**

There is no restriction on making extra payments i.e at any time without notice or fee charged. The extra payment made will help to save profit, reduce the principal and the extra amount paid will be used to serve future monthly rental. However, Customer is not allowed to withdraw the payment made.

**Capital Payment\*\***

This product also comes with a redraw-able facility (known as Capital Payment) where Customer can also make extra payment at any time without any notice or fees charged. The Capital Payment made will also help to save profit and reduce the principal. Customer is still required to service the monthly rental. This facility allows the Customer to redraw from the amount prepaid as often as the Customer like; subject to a minimum of RM5,000 and must be in multiples of RM1,000.

**\*\*Subject to Terms & Conditions**

**2. Which Shariah concept is applied?**

The Shariah concept applicable is Ijarah Muntahiah bi Al-Tamlik (IMBT). It refers to a leasing contract that ends with the transfer of ownership of the leased asset by the lessor (the Bank) to the lessee (customer) at the end of the Ijarah period. Under this structure:

- The Bank offers to purchase the property from the owner under the Bai' (sale and purchase of completed asset) or Bai' Istisna' (sale and purchase of under construction asset) contract.
- Subsequently, the Customer offers to lease from the Bank the property under the Ijarah contract.
- Monthly payments made by the Customer are regarded as rental.
- Upon settlement, whether before or on maturity, the Bank will sell the asset to the Customer at a price equivalent to the amount outstanding and payable by the Customer under the financing, and if there are no such amounts, at a price of RM1.00.

For under construction property, the contract of Istisna` is applicable. Istisna` refers to a contract where a seller sells to a purchaser an asset which has yet to be constructed, built or manufactured according to the agreed specifications and delivered on an agreed specified future date at an agreed pre-determined price.

During the construction period, the Bank will enter into an Ijarah Mawsufah fi Zimmah (Forward Lease contract) with the Customer with an advance lease payment. The Customer shall pay to the Bank advance rental during the construction period of the asset according to the payment schedule. The profit rate shown as per item (6) below is applicable prior to and after delivery of the asset. If the facility is terminated due to non-completion or destruction of under construction asset for any reason whatsoever, the Bank will refund to the Customer all advance rental paid (if any) by offsetting it against part of the Istisna` compensation amount.

The Istisna` asset and the purpose for constructing, building or manufacturing the Istisna` asset must be in compliance with Shariah.

### 3. What is the Standardised Base Rate (SBR)?

The Standardised Base Rate (SBR) we offer on this product is based on the benchmark rate specified by Bank Negara Malaysia. The benchmark rate is currently set as the Overnight Policy (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of Bank Negara Malaysia.

### 4. What are possible scenarios to trigger a change in the SBR?

The SBR can rise or fall due to changes in the benchmark rate, i.e changes in the Overnight Policy Rate (OPR).

### 5. Historical SBR for the past 3 years



### 6. How does the financing work?

#### Illustration

Property Price : RM350,000 (90% of house price)  
 Tenure : 30 years (360 months)

Subject	Standardised Base Rate (SBR) (From 09 Nov 2022)
Reference Rate	SBR = 2.75% p.a
Profit Rate	SBR + 1.70%** p.a
Effective Financing Rate	4.45% p.a
Monthly Rental	RM 1,764

**\*\*Spread: Includes credit and liquidity risk premiums, operating costs & profit margin**

*Note: The effective financing rate of 4.45% per annum (p.a.) is calculated as 2.75% + 1.70%\*\* per annum, on the basis that the standardised base rate remains constant at 2.75% per annum throughout the tenure. However, you should note that the Standardised Base Rate (SBR) fluctuates from time to time, which will in turn affect the effective financing rate accordingly.*

## 7. What are my obligations and rights?

### IMBT:

(Based on illustration as per item 6 above)

Your Monthly Rental is RM1,764

Total monthly rental amount (financing amount + profit) at the end of 30 years is RM 635,040

Important: Your monthly rental and total monthly rental amount will vary if the SBR changes.

Profit Rate	Today @ 2.75%	If SBR increases to 3.75%	If SBR increases to 4.75%
Monthly Rental	RM 1,764	RM 1,977	RM 2,201
Total profit at the end of 30 years	RM 285,040	RM 361,720	RM 442,360
Total monthly rental amount at the end of 30 years	RM 635.040	RM 711,720	RM 792,360

- As and when the SBR changes resulting in changes to the monthly rental amount payable by you. Bank will give you no less than 7 calendar days' notice, on the revised monthly rental amount which you shall pay.
- If you make financing payment via standing order, you should change the rental amount whenever there is a change to the SBR.
- For under construction property, you may opt to:
  - a. Pay profit only during the construction period. The profit is calculated based on the latest progressive amount released, on daily rests, OR
  - b. Pay monthly rental of Principal + Profit

The monthly rental payment is calculated either on a fixed rate or variable rate mechanism based on the package provided by the Bank. In the case of the variable rate mechanism, the monthly rental payments may vary due to fluctuations of the Bank's declared Standardised Base Rate (SBR).

### Disclaimer:

The above amounts are for illustration purposes only and may differ from the actual amount.

### Istisna'

The roles and responsibilities of both you and the Bank:

- a) As Istisna' purchaser, the Bank will accept delivery of a completed Istisna' asset that fulfill the agreed specification and pay the Istisna' price. The Bank retains the right to exercise options arising from non-delivery of the Istisna' asset and defects.
- b) As Istisna' seller, the Customer is under an obligation to deliver the Istisna' asset according to the specification. The Customer also agrees to monitor the progress of the contractor's construction of the Property. The Property shall be constructively delivered to the Bank on vacant possession being given to the Owner by the developer/contractor
- c) Events of Default:
  - Non-completion/ Non-delivery of the Istisna' asset.

- Any action taken or resolution passed which may lead to winding up, liquidation, bankruptcy, dissolution or presentation of a petition for winding up, bankruptcy, liquidation or dissolution against you.
- Legal proceedings suit or action of any kind whatsoever (whether criminal or civil) is instituted against you.
- Any change in applicable law or regulation makes it impossible or unlawful for you or the Bank to continue with the contract.
- You enter into any composition or arrangement with or for the benefit of creditors or allow any judgment or order obtained against you to remain unsatisfied for a period of 21 days.
- You shall cease or threaten to cease to carry on all or a substantial part of the business.
- Any takaful/insurance policy in respect of the home financing is cancelled or you abandon the property or the Bank's interest in and title to the property is affected for whatever cause, be it from any distress or execution proceedings or otherwise.
- If you are a natural person, dies, becomes insane or is adjudged bankrupt or, if such parties are not natural persons, are dissolved, wound up or liquidated;
- Any change in your key management or major shareholder(s) or partner(s);
- Any material adverse change in your business, assets, financial position or in the economy generally which, in the Bank's opinion, makes it undesirable for it to continue with the contract; or
- By reason of your action(s) and/or occurrence of any event(s), the Bank is of the opinion that your ability to perform any obligation hereunder, if called upon, may be affected.

d) If your financing tenure extends beyond your retirement age, you may need to prepare funds such as from EPF or savings, to service the financing payments. However, please be reminded that serving the financing beyond your retirement age might reduce your retirement funds and possibly disrupt your retirement plans.

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

**NOTE: The list of fees and charges below are payable by you, as the customer(s) and the Assets Owner(s), to third parties for their services or as required under the laws and regulations. The list is intended for general reference and may not be exhaustive. You should seek advice from the respective professionals for the particulars of the fees and charges.**

### Property

- **Stamp duties** to the Lembaga Hasil Dalam Negeri (LHDN), for the instruments for purchase and transfer of property to you as property owner(s), at the rates prescribed in the Stamp Act 1949
- **Legal fees** to lawyers for preparation of purchase and transfer documents and related services, at the rates prescribed in the Solicitors Remuneration Order
- **Registration or filing fees, search fees** to land office or high court, as the case may be, at the rates prescribed by the respective authorities and laws
- **Quit rent and assessment** to state and local authorities at the rates prescribed by the respective laws and regulations
- **Maintenance charges** to developer or management corporation for property under strata title, at the rates prescribed by the developer or management corporation or applicable laws and regulations
- **Perfection of transfer** if you purchase the property under master title, then in addition to above, you will need to pay the above fees and charges again upon issuance of the individual or strata title for your property, at such rates as may be prescribed by the respective parties
- **Valuation fees** to valuer to ascertain the value of your property, at the rates prescribed by the Board of Valuers, Appraisers and Estate Agents Malaysia
- **Disbursements** incurred for attending to above matters
- **Services tax** to LHDN, for services

- **Houseowner takaful premiums** to the takaful operator, to insure your property from the risks set out in paragraph 11 below, at the premiums determined by the takaful operator.

#### **Financing**

- **Stamp duties** to LHDN, for financing documents, at the rates prescribed in the Stamp Act 1949
- **Legal fees** to lawyers for preparation of financing documents and related services, at the rates prescribed in the Solicitors Remuneration Order
- **Registration or filing fees, search fees** to land office or high court, as the case may be, at the rates prescribed by the respective authorities and laws
- **Perfection of charge** if you purchase the property under master title, then in addition to above, you will need to pay the above fees and charges again upon issuance of the individual or strata title for your property, at such rates as may be prescribed by the respective parties
- **Disbursements** incurred for attending to above matters
- **Services tax** to LHDN, for services

**IMPORTANT NOTICE: You need to pay the fees and charges above directly to the respective parties i.e. the lawyers, state and local authorities, developer or management corporation, valuer, etc. If you do not pay the fees and charges above, bank has rights under the financing documents to debit the fees and charges from your financing account and pay the fees and charges to the respective parties, which means that you will pay the financing profit rates on the fees and charges. To avoid incurring such additional profit, you should promptly pay the fees and charges.**

#### **Bank's fees and charges**

For full list of fees and charges imposed by and payable to our bank, please visit our website <https://www.ocbc.com.my/personal-banking/fees-and-charges.html>

Subject to Government Taxes (if applicable)

#### **Processing Fees**

Waived

#### **Redraw Fees**

RM10 to be charged on every redraw request (ONE redraw request per day)

#### **Cancellation Fees**

If the facilities are cancelled/terminated by you or the Bank prior to the completion of legal documentation or prior to disbursement, charges equivalent to 1% of the facility limit ("Cancellation Fees") shall be payable by you.

### **9. What if I fail to fulfil my obligations?**

#### **Late Payment Charge**

Compensation (*ta'widh*) charges : 1% p.a. on the overdue monthly payment until the amount(s) has been paid or until maturity of the financing, whichever is the earlier. After maturity of the facility, at daily weighted average for overnight rate of the Mudharabah interBank investment at the Islamic InterBank Money Market ("Average IIMM Rate") on outstanding balance.

Right to set-off : We have the right to consolidate and set-off, by notice to you, any credit balance in your account maintained with the Bank against any outstanding balance in this financing account.

Any legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

### **Bank Sales Price**

The owner shall make an offer to purchase the Property from the Bank on occurrence of an Event (except on total destruction of the Property) and termination of the Term Financing-i Facilities. The Offer to Purchase Property shall become unconditional and capable for acceptance by the Bank in accordance with the terms stated in the Offer to Purchase Property. On the Bank's acceptance of the Offer to Purchase Property, a sale (*Bai*) contract is formed and the ownership of the Property shall pass to the Owner subject to the Owner shall pay the Bank's Sale Price calculated in the manner set out below.

The formula to derive the Bank Sale Price

$$\text{Bank Sale Price} = (A - B) + C + D + E + F + G$$

Where

- A = Term Financing-i Facilities disbursed up to the date specified in Bank's notice
- B = Principal paid up to the date specified in Bank's notice (less any prepayment redrawn)
- C = Unpaid accrued Profit calculated up to the date specified in Bank's notice
- D = Advance Rental (if any) to be refunded by the Bank to the Customer
- E = Early Termination Fee (if any) as stated in the Letter of Offer
- F = Break Funding Cost (if any) as conclusively calculated by the Bank when the Prescribed Rate is based on fixed rate or Cost of Fund
- G = Out-of-pocket costs incurred and/or to be incurred by the Bank in respect of the Term Financing-i Facilities such as legal fees, stamp duty, valuation fees, and other amounts

When the Amount is the Bank's Sale Price, it shall have a minimum amount of RM1.00

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

### **With Holding Period:**

If the financing is fully redeemed/ settled within the holding-in period, you will pay the Bank an early termination fee. The early termination fee is calculated at 2% of the financing limit which is the estimated costs already incurred and/or to be incurred by the Bank as a direct result of your early termination. The early termination fee shall be part of the redemption or settlement sums payable by you to the Bank. The holding period is 3 years commencing from the date of first disbursement of the Facilities.

### **No Holding Period:**

No penalty charged on early settlement.

### **Note:**

*An Early Termination Fee will be included in the settlement amount. The formula for the settlement amount on termination is as set out in the Main Terms & Conditions.*

## **11. Do I need any takaful coverage?**

### **Mortgage Reducing Term Takaful**

The customer may choose to purchase Mortgage Reducing Term Takaful (MRTT) for mortgage protection. This MRTT is optional.

### **Houseowner Takaful**

Houseowner takaful is required on the property to be charged as security to the Bank for its full replacement value for as long as the Facilities remain outstanding. The Bank shall be endorsed as chargee and loss payee of the takaful.

The houseowner takaful covers the following: -

- i Fire, Lightning, Thunderbolt, Subterranean Fire
- ii Explosion
- iii Aircraft and other aerial devices and/or articles dropped therefrom
- iv Impact with any of the buildings by any road vehicles or animals not belonging to or under the control of the Covered or any member of his family
- v Bursting or overflowing of domestic water tanks, apparatus or pipes excluding the following:
  - In respect of each and every loss the amount stated in the schedule to the Houseowner policy
  - Destruction or damage occurring while the private dwelling house is left untenanted
- vi Theft but only if accompanied by actual forcible and violent breaking into or out of a building or any attempt thereat ("Peril") PROVIDED that in the event of the Private Dwelling being left without an inhabitant therein for more than ninety (90) days whether consecutively or not in any one period of Takaful, the takaful against this Peril shall, unless otherwise agreed by endorsement hereon, be entirely suspended in respect of any period or periods during which the Private Dwelling may be unoccupied in excess of the aforesaid ninety (90) days.
- vii Hurricane, Cyclone, Typhoon and Windstorm subject to the Excess Clause.
- viii Earthquake and Volcanic Eruption subject to the Excess Clause.
- ix Flood but excluding loss or damage caused by subsidence or landslip subject to the Excess Clause.

Please refer to the takaful operator for further details of the houseowner takaful.

Pursuant to the agreement that the Customer shall subscribe and bear all costs related to Takaful protection, the Customer must consider Takaful as their first choice. The Customer should consider the following conditions if they wish to subscribe for insurance coverage:

1. The insurance premium shall not be financed as part of the financing amount by the Bank; and
2. The subscription of insurance instead of Takaful is due to any of following:
  - a. Takaful protection is not offered or available for relevant sectors or classes of asset; or
  - b. The application for takaful protection is rejected by all takaful operators; or
  - c. The cost of insurance protection is significantly more competitive compared to the cost of takaful protection.

The customer shall be responsible to assess the relevant insurance/takaful coverage offered in the market which is the most comprehensive and less costly. The Bank shall be under no obligation to examine such policies of takaful/insurance.

It is your duty to ensure that the property charged to the Bank is duly insured with a Takaful which is acceptable to the Bank for the entire duration of the Facilities. The Bank shall be entitled to purchase such Takaful on your behalf by relying on the consent contained in the terms and conditions and agreement signed by you with the Bank, and debit your account for the premiums payable for the Takaful policy. If you purchase the Takaful yourself, you must deliver to the Bank the original Takaful policy together with the receipt(s) for the contributions/premiums paid within 90 days from the renewal date, failing which the Bank will not be able to cancel the Takaful policy purchased on your behalf or refund the contribution debited from your account.

## 12. Do I need a guarantor or collateral?

In addition to a charge over the property, the Bank may require the home financing to be guaranteed by one or more guarantor(s), depending on the circumstances.

### **Rights and obligations of a guarantor under a letter of guarantee in favour of the Bank** **Obligations**

1. A guarantor's liability is up to the amount stated in the Schedule to the guarantee plus profit on the amount.
2. A guarantor is not released from liability by any of the following events:
  - a) Any increase, extension, restructuring or other variations to the financing or facilities between the Bank and the Customer(s); or
  - b) Any compromise or indulgence or extension of time given to the Customer(s); or
  - c) The Bank did not realise the collaterals given for the debts and liabilities; or
  - d) The Bank has discharged or released the Customer(s) or any collateral.
3. The full extent of the guarantor's liability is found in the terms of the letter of guarantee.

### **Rights**

1. A guarantor should seek his/her own independent legal advice before signing a guarantee.
2. A guarantor who has fully settled the Customer(s)' debts and liabilities with the Bank may:
  - a) Claim from the Customer(s) for the payment he made to the Bank; and/or
  - b) If applicable, claim from the co-guarantor(s) for a portion of the payment made to the Bank; and/or
  - c) If the Bank holds any collateral for the financing, he will take over the collateral and can enforce the collateral.

The above rights are only available to the guarantor if he has fully settled the Customer's debts and liabilities.
3. A guarantor is entitled to information on the amount payable under the guarantee.

## 13. What are the major risks?

For packages with a combination of fixed rates and variable rates, the profit rate will be fixed during the fixed period tier and for subsequent years, the profit rate may change according to the changes in the reference rates.

The monthly payment and the number of payments are based on the profit rate at the time the Letter of Offer is issued and are subject to review and may be adjusted or varied from time to time by the Bank by giving prior written notice to you. The monthly payment may be higher than the amount stated in the Letter of Offer if the Standardised Base Rate and/or the margin of profit increase during the tenure of the facilities. If the Standardised Base Rate and/or the margin of profit is/are revised, you shall pay such increased or reduced monthly payment based on the new prescribed rate with effect from such date(s) as the Bank shall inform you.

If you have problems meeting your financing obligations, contact the Bank early to discuss payment alternatives.

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



It is important that you inform the Bank of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update us on your latest contact information, please call the Bank's Contact Centre at 03-8314 9310.

Please quote your financing account number when requesting to change your contact details.

#### **15. Valuation Requirements**

The financing is subject to a full valuation of the internal and external of the property, if required.

#### **16. Letter of Offer and Financing Documentation**

You are required to accept the Letter of Offer within 2 weeks from the date of the Letter of Offer.

The solicitors will contact you within 2 weeks from your acceptance of the offer to execute the relevant security documents (if applicable). Any delay in your accepting the Letter of Offer or executing the security documents may result in a delay in financing disbursement. The Bank will not be liable for any late charges imposed by the developer/vendor for any delay in the disbursement of financing.

If you do not hear from the solicitors, please contact them or the Bank. Likewise, if the Bank or the solicitors do not hear from you within 2 weeks from your acceptance of the offer, the Bank will deem that you have chosen not to proceed with the financing.

#### **17. Where can I get assistance and redress?**

If you have difficulties in making payments, you should contact the Bank as soon as possible to discuss payment alternatives. You may contact the Bank at:

*General Enquiries: 03-8314 9310*

*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 and debt restructure for individuals. You can contact AKPK at:*

*Tingkat 8, Maju Junction Mall  
1001, Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel: 03-2616 7766  
eMail: [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)*

The POWER! Programme is a programme conducted by AKPK which aims to empower young and first-time customers with the knowledge to effectively manage their finances. To enrol, please call 1800-22-2575 or visit <http://www.akpk.com.my> for more information.

If you have a complaint about the products or services provided by the Bank, you may contact the Bank at:

Customer Assurance Unit

OCBC Bank – Service Transformation  
Menara OCBC  
No. 18 Jalan Tun Perak  
50050 Kuala Lumpur

Or email to [myexperience@ocbc.com](mailto:myexperience@ocbc.com)

If the Bank's reply to your query or complaint is not acceptable to you, you may contact Bank Negara Malaysia LINK or TELELINK at:

Customer Contact Centre (BNMTELELINK)

Bank Negara Malaysia  
P.O.Box 10922  
50929

Tel: 1-300-88-5465 (1-300-88-LINK)  
Overseas: 603-2174-1717  
Operating Hours: 9.00 a.m. – 5.00 p.m. (Monday – Friday except public holiday)  
Web form: telelink.bnm.gov.my

**18. Other home financing packages available:**

- i. Manarat Home-i ( My First Home Scheme)
- ii. LVS Financing-i (Legal, Valuation & Stamp Duty)

**IMPORTANT NOTE: YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP UP WITH YOUR HOME FINANCING MONTHLY PAYMENT**

**The information provided in this disclosure sheet is valid from 09 Nov 2022**

**Disclaimer:** This Product Disclosure Sheet is for information purposes only and does not constitute any advice on any matter discussed. All information and materials including those on services, products, financial information, data, text or other items are provided strictly 'as is', and 'as available' and is so provided for your information and reference only. The Bank does not guarantee the usefulness or adequacy of the information provided and shall not be liable for any errors nor be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission. The precise terms and conditions of this **Manarat Home-i** are specified in the Bank's Letter of Offer and the Main Terms and Conditions and other terms and conditions applicable for this product (if any) available at the Bank's branches. This Product Disclosure Sheet is confidential and may not be reproduced (in whole or in part) to any other person without the prior written permission of the Bank.