

PRODUCT DISCLOSURE SHEET (PDS)

(REMINDER: You are reminded to read and understand the terms and conditions of this Product Disclosure Sheet before signing below. In the event there are any terms and conditions in this Product Disclosure Sheet you do not understand, you are advised to seek independent advice and/or discuss further with the Bank's representative before signing below.)

ENGLISH VERSION

Bank : **AFFIN Islamic Bank Berhad**
 Product : **AFFIN Home Step Fast-i ("AHSF")**

Date of Issuance to the customer:

_____ (to be filled out upon application)

1. What is this product about?

Financing facility under this Product may be granted for the following purpose:

- AFFIN Home Step Fast-i ("Facility") is a product which offers term financing and refinancing of residential properties valued at RM200,000 and above with special payment feature of 'Step-Up'. The property can either be completed or under construction.
- 'Step-Up' payment feature allows payment of only rental amount for the first five (5) years from the date of full disbursement; thereafter commencement payment of full monthly instalment based on the outstanding and the remaining tenure after servicing the "step-up" features.
- In the event the monthly Rental servicing is in default for two (2) consecutive months anytime during progressive, you ("Customer") shall pay instalment amount upon full disbursement of the financing.

2. What is the Shariah concept applicable?

The Shariah concept applicable is **Musharakah Mutanaqisah (MM) or Diminishing Musharakah.**

- Under the Shariah principle of Musharakah Mutanaqisah, the Bank and the Customer shall jointly purchase the rights, interests and benefits in an identified property ("Property") whereby the Customer shall contribute a sum equivalent to the initial acquisition payment ("Customer's Initial Acquisition Payment") and the Bank shall contribute towards the purchase of the Property a sum equivalent to the Bank's commitment amount ("Bank's Initial Acquisition Payment").
- The Bank then leases its share in the Property to the Customer on the basis of Ijarah Mawsufah Fi Zimmah (Forward Leasing) during construction of the Property and Ijarah (Lease) upon completion of the Property.
- The Customer shall gradually acquire the Bank's Ownership, rights and benefits in the Property by making monthly payments ("Monthly Payments") to the Bank, which partially contributes towards increasing the Customer's share in the Property and decreasing the Bank's share in the Property in accordance with the terms of the Facility ("Acquisition Payment") until the Customer shall wholly and fully own the Property.
- As a result of the Acquisition Payments made under the Facility, the Customer's ownership, rights and benefit in the Property will increase and the Bank's ownership, rights and benefits will decrease proportionately.
- At the end of the Ijarah term and upon full payment, the Customer will acquire all the Bank's Ownership, rights and benefits in the Property.
- For property under construction, if the Property cannot be occupied due to the abandonment of the Property's construction which cannot be revived, the advance rental as duly paid by the Customer will be refunded to the Customer in the manner as determined by the Bank.

3. What do I get from this product?

Eligibility	<ul style="list-style-type: none"> • Individual • Eligible individual of age 18 years above
Ceiling Ijarah Rate ("CPR")	<p>It refers to the maximum Ijarah rate chargeable to the Customer throughout the financing tenure. Despite any increase in the Standardised Base Rate (SBR), the Ijarah rate will halt at the specified maximum ceiling rate in the facility agreement.</p> <p>Maximum CPR: 10.00% per annum (p.a.)</p>
Bank's Commitment Amount Margin of Financing ("MOF")	<p>_____ %</p> <p>Maximum Margin of Financing (MOF) for individual customer is up to 90% plus 5% on MRTT.</p> <p>Note: <i>Actual MOF will be determined by the Bank based on the type of property, location and payment capacity of the applicant.</i></p>

Tenure	<p>_____ years</p> <p>Up to 35 years or age 70 years, whichever is earlier.</p>															
Ijarah Rate (Monthly Rest)	<ul style="list-style-type: none"> Attractive Ijarah rates as follows: (Terms and conditions apply) <table border="1" data-bbox="544 331 1465 595"> <thead> <tr> <th>Property Value</th> <th>Ijarah Rate*</th> <th>Effective Annual Ijarah Rate</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="text-align: center;">Financing for Residential/Non-Residential Property</td> </tr> <tr> <td>RM200k to RM350K</td> <td>SBR + _____ p.a.</td> <td>_____ % p.a.</td> </tr> <tr> <td>RM350K to less than 1 million</td> <td>SBR + _____ p.a.</td> <td>_____ % p.a.</td> </tr> <tr> <td>RM1.0 mil and above</td> <td>SBR + _____ p.a.</td> <td>_____ % p.a.</td> </tr> </tbody> </table> <p>Note:</p> <ul style="list-style-type: none"> Ijarah rate shall be determined at the point of application. Please visit AffinAlways.com for the latest SBR. Any special promotion and packages of this product will be communicated to the Customer by the Bank via various channels of communications 	Property Value	Ijarah Rate*	Effective Annual Ijarah Rate	Financing for Residential/Non-Residential Property			RM200k to RM350K	SBR + _____ p.a.	_____ % p.a.	RM350K to less than 1 million	SBR + _____ p.a.	_____ % p.a.	RM1.0 mil and above	SBR + _____ p.a.	_____ % p.a.
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Bank's Selling Price	$p * n \div \left[\frac{((1 + r/1200)^n - 1)}{(r/1200) ((1 + r/1200)^n)} \right]$ <p>p = Bank's Purchase Price r = Ceiling Ijarah Rate n = Number of Financing Tenure (in months)</p>															
Lock-in Period	<p>Not applicable.</p>															
Redraw Facility	<ol style="list-style-type: none"> At any time upon full disbursement during the Ijarah tenure, the Customer may offer to sell and transfer any part of the Customer's share of ownership in the Property to the Bank for the purpose of redrawing of the Facility. Any subsequent sale or transfer of the Customer's ownership, rights and benefits in the Property during the coownership period to the Bank shall be affected in the manner as the Bank shall deems fit. Redrawing of the Facility can be under prepayment and/or advance payment. Redraw under Prepayment <ol style="list-style-type: none"> In the event that you have made a lump sum equity partial prepayment (reduction in principal) other than the Monthly Payment, you may request for the redraw, whereby it may subject to the Bank's approval and Terms and Conditions. The redraw is also subject to further credit checking by the Bank. Application for redraw must be made at any branch by completing the Redraw Application Form. Redraw under Advance Payment <ol style="list-style-type: none"> In the event that you have made payment of the Facility in an amount which is in excess of your Monthly Payment amount, you may request to withdraw the excess amount at any branch, subject to the Bank's approval and Terms and Conditions. In order to qualify for redraw of Advance Payment application, the minimum advance amount in your Facility account must be amounting to RM5,000 with minimum balance available for the next payment due date after redrawing. Redraw under prepayment and advance payment is only available upon full disbursement of the Facility. The approved redraw amount shall be credited into your Current or Savings account maintained with the Bank or such other account under your name maintained with another financial institution. In the case of joint customers, any application for redraw must be submitted by the joint customers and if successful, the amount shall be credited to the Current or Savings account of the joint customers. 															

7. The minimum redrawn amount is RM3,000 and thereafter must be in multiple of RM1,000.
8. A processing fee of RM25.00 shall be charged for each successful application for redraw. The fees shall be debited from your Current or Savings Account where the redraw amount is credited.
9. Any monies that have been withdrawn from the Employee Provident Fund (EPF) shall be deemed as Prepayment and shall not be available for redraw.

Note:

The approved amount, tenure and rate of your Facility is subject to the credit evaluation and approving criteria set-up by the Bank.

4. What is the Standardised Base Rate (SBR)?

The 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 Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Policy Committee of Bank Negara Malaysia.

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

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

6. Historical benchmark Cost of Fund (COF) in the last 3 years:

Please refer to AffinAlways.com for the latest historical data.

Go to PERSONAL > My Loans & Financing > Home > AFFIN Home Step Fast-i > Important Information > Consumer Guide on Reference Rate.

7. What are my obligations?

- During the period where the property is under construction, you are required to pay Advance rental which will commensurate with the amount disbursed during the Facility tenure.
- Upon completion of the construction period you are required to pay the Ijarah rental for the first 5 years from the date of disbursement thereafter commencement payment of full monthly instalment based on the outstanding and the remaining tenure.
- In the event where the salary deduction made by the employer/automated fund transfer from the salary account maintain with the Bank has not yet commenced, you are responsible to pay the rental in a timely manner and shall be paid as specified in the Letter of Offer.
- **Important:** Your monthly rental and total payment amount will vary subject to SBR changes.

	Today's SBR _____ % p.a.	If SBR increase by 1%	If SBR increase by 2%
Monthly rental for first _____ years			
Monthly rental for remaining _____ years			
Total advance rental at the end of _____ years			
Total rental amount at the end of _____ years			

IMPORTANT:

- All calculations and information above are for illustration purposes only.
- Please refer to our website at AffinAlways.com on the latest SBR rate.
- Based on the illustration above, the monthly rental amount shall be raised/lowered with any increase/decrease of the SBR and the changes will be reflected on the next following month. You may submit a written request to the Bank and the Bank may at its consideration to maintain the same monthly payment in spite of any increase to the SBR, provided always that the same is sufficient to service the monthly instalment amount. The difference in the monthly instalment shall then be accumulated to the end of the Facility tenure.

- At the maturity of the Facility tenure, you shall pay the outstanding balance in full or the Bank may at its consideration, grant an extension to the Facility tenure to facilitate settlement via monthly instalment payment of an agreed amount. If the Facility tenure accorded is extended beyond the retirement age, you remain obliged to pay the monthly instalment payment. However, you may opt at any time to fully settle the Facility upon reaching retirement age.

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

Type of Fee/Charge	Details of Fee/Charge
Stamp Duty	As per Stamp Act 1949 (Revised 1989)
Disbursement Fees	Include fees for registration of land charge, land search and bankruptcy search.
Legal fees pertaining to financing documentations	The Customer is required to pay all legal fees and incidental costs and expenses in connection with the Facility (including but not limited to the preparation, stamping and registration of any security documents and the lodgement and withdrawal of caveats). Security documentation for the financing is to be handled by a solicitor under the Bank's panel. Should a non-panel solicitor be appointed by the Customer, the appointment must comply with the Bank's guidelines on application of a non-panel solicitor and approval is subject to the Bank's discretion. However, to avoid any delay in the documentation process, the appointment of the Bank's panel lawyers is highly encouraged. Applicable for SRP-i for property purchase price up to RM300,000 only: <ul style="list-style-type: none"> Not allowed to impose the charges on lawyers for the use of the Bank's standard legal document templates.
Valuation Fees	For completed properties only (only applicable in respect of the initial valuation fees prior to the first drawdown of the Facility).
Processing Fees (per application)	Not applicable
Redemption statement (per account per request)	RM50.00
Security document retrieval fee (per request – for complete set of documents)	RM30.00
Restructuring/Rescheduling fee	No charges
Additional financing statement (per request)	RM10.00
Letter of confirmation for EPF withdrawal	RM20.00

Note:

- We will communicate to you at least twenty-one (21) calendar days prior to the effective date of implementation if there are any changes in fees and charges that applicable to your financing Facility.
- As per all other terms and conditions in the Letter of Offer.

9. What if I fail to fulfill my obligations?

- When the Facility Days Past Due is ninety-one (91) days, the Bank shall revise the Effective Profit Rate and/or Ijarah Rate (whichever is applicable) in this Letter of Offer to Effective Profit Rate and/or Ijarah Rate + 0.64% p.a. calculated on the outstanding principal or such other rate or basis of calculation of the rate based on regulatory requirements.

The financing rate will be reverted to the contracted rate when the Days Past Due fall to ninety (90) days and below.

The Bank shall provide a written notice of not less than seven (7) days prior to the effective date of the revised monthly instalment.

- The revised Effective Profit Rate and/or Ijarah Rate is subject to the Ceiling Effective Profit Rate and/or Ijarah Rate.

- If you have problem meeting your financing obligation, contact us early to discuss payment alternatives. Delay on your part could lead to the following consequences:
 - i. We have the right to set-off any credit balance in any of your accounts maintained with us against any outstanding balance in this Facility account which will we notify you at least seven (7) calendar days in advance.
 - ii. We may proceed with legal action if you fail to respond to our reminder notices. Your property may be foreclosed. You will have to bear all costs and expenses related to foreclosure. In the event that there is a shortfall between the sale price of the property and the amount in arrears after your property is sold, you are responsible to settle the balance (if any).
 - iii. Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

Compensation Charges (*Ta'widh*)

- Before maturity of the Facility

A sum equivalent to one percent (1%) per annum on overdue instalment(s) until date of full payment:

$$= \text{Overdue Rental/installment} \times 1\% \times \frac{\text{no. of days overdue}}{365}$$

- Upon and after maturity of the Facility

A sum equivalent to the prevailing daily overnight BNM's Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e. outstanding Bank's Sale Price less *ibra'* (if any):

$$= \text{Outstanding balance} \times \text{prevailing IIMM} \times \frac{\text{no. of days overdue}}{365}$$

- It shall commence from the date when payment was first defaulted to the date of actual payment even when the Facility is terminated for any reason whatsoever.
- The compensation charges at the aforesaid rate shall be payable by you after as well as before any judgment or order of court.
- Notwithstanding the amount of compensation charges charged, it is expressly acknowledged and agreed that the said amount of compensation charges shall not be further compounded.
- Please refer to other obligations stated in the Letter of Offer.

10. Do I need any Takaful coverage?

- Mortgage Reducing Term Takaful (MRTT) is optional but highly encouraged.
 - ❖ In the event of death and total permanent disability, the Takaful will pay off all outstanding amount of your financing with the Bank. This will alleviate the burden of payment on your survivors or next of kin.
- House Owner Takaful
 - ❖ House Owner Takaful is compulsory. Should a piece of property be covered under a master Takaful/ insurance policy, the Customer is required to extend a copy of the Takaful/ insurance cover note to the Bank every year.

Note:

Compulsory Takaful is offered by the Bank's own panel of Takaful provider. However, you are free to use the service of another Takaful provider.

11. What are the major risks?

The Ijarah rate on this financing is floating and it is pegged to SBR. Ijarah rate may change according to changes in the reference rates. An increase in Ijarah rate may result in higher monthly payment/extension of Facility tenure.

Note:

If you have problems to fulfill your Facility obligations, please contact and discuss with us.

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

- It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.
- In accordance with Affin Islamic Bank's policy/guidelines and per standard security documents, any change of the contact details must be in writing and duly signed off by the Customer(s) and addressed to Affin Islamic Bank Berhad.

13. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives:

<u>Address:</u> AFFIN BANK BERHAD Asset Quality Management Department 401 & 501, Block C, Kelana Business Centre, Jalan SS7/2, 47301 Kelana Jaya, Selangor Darul Ehsan.	<u>Contact No.</u> Operating Hours: 8.45 a.m. – 5.45 p.m. (Monday – Thursday) 8.45 a.m. – 4.45 p.m. (Friday)	03-8230 2828
	<u>Fax No.</u>	03-7947 5400 03-7947 5540

- If you wish to complain on the product or services provided by us, you may fill-in an “e-Form for lodgement of the Customer feedback/complaint” which is available at Bank's website at AffinAlways.com, that will be escalated to Customer Feedback & Resolution Management. You may also contact us at:

<u>Address:</u> Customer Feedback & Resolution Management Level 9, Menara Affin, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur.	<u>Contact No.</u> Operating Hours: 8:00 a.m. – 12:00 a.m. (Monday – Sunday)	03-8230 2222
	<u>E-mail</u>	yourvoice@affingroup.com
	<u>Website</u>	https://www.affingroup.com https://www.affinalways.com

- 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 both individuals and Small and Medium Enterprises (SMEs). You can contact AKPK at:

<u>Address:</u> Agensi Kaunseling dan Pengurusan Kredit (AKPK) Level 5 and 6, Menara Aras Raya (formerly known as Menara Bumiputra-Commerce) Jalan Raja Laut, City Centre 50350 Kuala Lumpur.	AKPK Infoline	03-2616 7766
	<u>Fax No.</u>	03-2616 7601
	<u>Operating Hours</u>	9:00 a.m. – 5:00 p.m. (Monday – Friday)

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or BNMLINK at:

<u>Address:</u> BNMLINK Bank Negara Malaysia P.O. Box 10922 (Peti Surat 10922) 50929 Kuala Lumpur	<u>Contact No.</u> Operating Hours: 9:00 a.m. – 5:00 p.m. (Monday – Friday)	1-300-88-5465
	<u>Fax No.</u>	03-2174 1515
	<u>eLINK Web Form</u>	https://bnmlink.bnm.gov.my

14. Where can I get further information?

Should you require additional information on the financing product, please visit the nearest Bank's branches or call our Contact Centre number at 03-8230 2222 or visit our website at AffinAlways.com for further details

15. Other property financing available?

- AFFIN Home Invest-i
- AFFIN Business Premises Invest-i
- AFFIN Home Build-i
- AFFIN Tawarruq Home Refinancing-i
- AFFIN Tawarruq Business Premises Refinancing-i
- AFFIN Extra Plus-i
- AFFIN Credit Plus-i
- AFFIN Tawarruq Cash Line-i

IMPORTANT NOTE:

YOUR PROPERTY MAY BE FORECLOSED IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING AND YOU WILL HAVE TO BEAR ALL COSTS AND EXPENSES INCURRED BY THE BANK IN RELATION TO THE BANK'S FORECLOSURE ACTION.

- I/We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my/our obligations, have been adequately explained to me/us by the Bank's staff, representative or agent.

NAME :

SIGNATURE :

The information provided in this disclosure sheet is valid as at **22 FEBRUARY 2024**

**This PDS to be filled up by the Bank's Sales Personnel*