

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take the Maybank Islamic HouzKEY. Be sure to also read the general terms and conditions in the Lease Agreement. Seek clarification from your institution if you do not understand any part of this document or the general terms.

Product : HouzKEY
Date : September 2019











1. What is HouzKEY?

HouzKEY is a homeownership plan that provides greater flexibility and cash flow efficiency. It is specially designed to assist those who intend to be homeowners but are unable due to the high initial cost.

Under HouzKEY, we offer two ways to own a home: Properties offered by selected Developers (includes new launches, under-construction or completed properties) OR Properties listed for sale by Individual seller on maybank2own.com.

The key benefits of these programmes:

HouzKEY (property by Developer)		HouzKEY (property by Individual Seller)	
 <p>Minimal upfront cost 3 months refundable security deposit</p>	 <p>100% financing Get full financing including incidental cost</p>	 <p>Locked-in property price Stay first and purchase the property later at a locked-in price</p>	
 <p>100% profit is yours Sell the property and keep 100% profit (net gain from the sale proceeds)</p>	 <p>Greenlane to Maybank Mortgage - Complete homeownership journey Enjoy a smooth homeownership journey</p>		
 <p>New launches & completed properties Up to RM 1 million in Klang Valley, Johor and Penang</p>		 <p>Monthly payment reduces your outstanding Your monthly payment will reduce your outstanding overtime</p>	
		 <p>Your choice of home Up to RM 1 million anywhere within Klang Valley from sub-sale market/ individual sellers</p>	

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2. What is the applicable Shariah Contract?

This product is based on the Shariah contract of *Ijarah Muntahiyah Bi Tamlik*, which is a lease contract that ends with ownership.

As the lessee, applicant has the option to purchase the property from Maybank Islamic Berhad (“Bank”), who is the owner of a property (“Property”), at a pre-agreed purchase price after 12 months of leasing period.

3. What is the eligibility criteria to apply for HouzKEY?

- Malaysian citizen.
- The guarantor(s) can be up to 3 individuals and must be from the applicant’s immediate family members (i.e. spouse, parents, siblings, and children).
- The applicant’s and guarantor(s)’ age must be between 18 to 70 years old at the point of application.
- The applicant **MUST NOT** have more than one (1) home financing at the point of application.

4. How do I apply?

a) HouzKEY (property by Developer)



b) HouzKEY (property by Individual Seller)

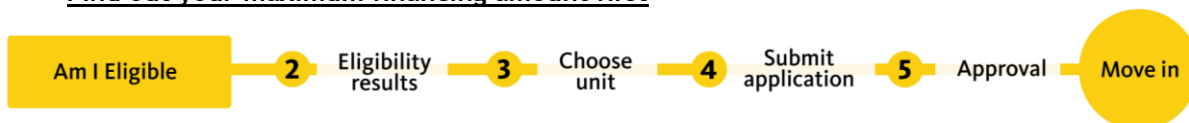
You have 2 options to start your application after you visit www.maybank2own.com

Select a property of your choice first based on the listing on www.maybank2own.com



OR

Find out your maximum financing amount first



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5. What are the eligibility criteria for properties offered by Individual Sellers?

Other than our broad selection of properties, you can also choose to suggest to us your desired home, as long as it fulfils the requirements below:-

- I. Completed residential properties;
- II. Located in Kuala Lumpur & Selangor;
- III. Price range of up to RM 1 million per unit; and
- IV. Minimum built-up area of 550 sq.ft.

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

Security Deposit	Three (3) months refundable security deposit to be maintained at all times with the Bank and shall be refunded to customer at termination of Lease Agreement, minus any outstanding obligations.
Stamp Duty for Lease/Tenancy Agreement*	As per First Schedule of item 22(1)(b) of Stamp Act and nominal stamp of RM 10.00 for lease agreement copy and tenancy agreement (renewal).
Perfection of Title and Lease* (applicable only for Property with Master Title-upon issuance of Individual Title)	Legal fee as per Solicitor's Remuneration (Amendment) Order (SRAO) 2017 & Disbursement Fees including stamp duty and searches & registration payable to respective authorities as well as to solicitors
Formal Valuation Report*	The fees for the formal valuation report shall follow the Scale of Professional Fees (In accordance with the Seventh Schedule of Valuers, Appraisers and Estate Agents (Amendment) Rules 2009) and disbursement fees payable to the valuers.
Letter of Option to Purchase	RM 50.00
Late Payment Charges	1% per annum before the end of the tenure period or the prevailing daily overnight Interbank Islamic Money Market (IIMM) rate upon termination, on the monthly payment amount in arrears or any other amount as approved by Bank Negara Malaysia (BNM). The amount of late payment charges shall not be further compounded.
Property maintenance costs & expenses	Utilities bills, fire takaful, payment of taxes and outgoings such as quit rent, assessment fee, maintenance fee and other payments associated to the Property during tenancy (where applicable).

*Legal fees and disbursement (inclusive of stamp duty) for purchase of the property and Lease together with the formal valuation report will be categorised as incidental costs that is to be paid on deferred terms and shall be included in monthly payment calculation.

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7. What is the comparison between HouzKEY and Mortgage?

	HouzKEY	Mortgage
Ownership of the property	Yes	Yes
Property Purchase Price Financing Amount	RM500,000 RM517,500 ¹	RM500,000 RM450,000 ²
Upfront Cost	RM8,193 (3 months refundable deposit)	RM 50,000 (10% down payment)
Incidental Cost³ (Legal, Stamp Duty, etc)	n/a	17,500
Monthly Payment	RM2,731	RM2,375 ⁴
Total payment for 5 years (including upfront and incidental cost)	RM172,053	RM219,360
Tenure	5-30 years	up to 35 years
Home renovation	Yes	Yes
Option to walkaway	Yes (After 5 years)	No

Note: The above costs does not include any other expenses related to the individual properties such as quit rent, assessment fee, maintenance fee that would vary from one property to another.

¹HouzKEY Financing amount includes incidental cost.

²Financing amount is based on 90% margin of finance.

³Incidental costs of 3.5% above is based on the average cost for individual title property

⁴Mortgage profit rate at 4.35% (based on latest home financing rate as published by Bank Negara Malaysia).

8. On-boarding process with HouzKEY

Applicant Acceptance

The Bank will inform the applicant on their successful application and provide instructions for applicant to proceed in securing their HouzKEY product and property chosen. Applicant and guarantor(s) (where applicable) is required to:

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- a) Execute the Lease Agreement, Guarantee Agreement (if applicable) and pay security deposit and all other miscellaneous charges (if any).
- b) The applicant is required to open a Maybank current/savings account if he/she doesn't have an existing Maybank current/savings account for debiting payment;
- c) The Bank shall have the sole right to determine whether the conditions precedent (CP)* are met failing which the Bank is entitled to terminate the Lease Agreement after 3 months from the Lease Agreement date. The security deposit will be refunded to the applicant.
- d) The applicant to furnish any necessary documents requested by the Bank within 14 days from the date of receiving a written request from the Bank.

Notice of Vacant Possession ("VP Notice") & Billing

The Bank will notify the Applicant via a VP Notice upon receiving confirmation from the Developer/Seller that the Property is in order for handover. Applicant is required to:

- a) take possession of the Property within *fourteen (14) days* of VP Notice issued from the Bank;
- b) make payment for VP charges such as quit rent, assessment fee, maintenance fee, utilities registration and fire takaful where applicable;

Applicant will be provided the move-in checklist for their final inspection to confirm the Property is fit for occupation. Should the applicant fail to accept the VP and keys to the Property within the given period, the Bank shall be entitled to deem that the applicant has accepted the VP of the Property on the *fifteenth (15) day* from the date of the VP Notice ("Deemed VP Date").

The date of the commencement of the lease ("Lease Commencement Date") shall be the day on which the VP is actually delivered to the applicant or the Deemed VP Date, whichever is earlier. The due date of the first billing is dependent on the Lease Commencement Date as tabled below:-

Lease Commencement Date	Due Date of First Billing	Eg. Lease Commencement Date	Eg. Due date of First Billing
1 st - 14 th of the Month	22 nd of the same month	7 th October 2017	22 nd October 2017
15 th - end of Month	7 th of the following month	24 th October 2017	7 th November 2017

Applicants will be liable to Late Payment Charges ("LPC") which include:

- a) **Overdue Payment or any other payment:** 1% p.a. on the monthly payment amount in arrears or any other amount as approved by BNM, accrued from the late payment period, effective from date of moving in.
- b) **Upon Termination of Lease:** Latest prevailing daily overnight Interbank Islamic Money Market (IIMM) rate on outstanding payment due and payable or any other method approved by BNM from time to time.

In the event of judgement is made, the LPC is calculated based on judgement sum and shall be payable from the judgement date to actual payment date.

(Note: LPC charged shall be accumulated, but not be further compounded).

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During the tenure period, the applicant is required to:

- promptly pay the monthly payment due on 22nd day of each calendar month via standing instruction;
- promptly pay all expenses and charges with respect to Property such as taxes, takaful, quit rent, maintenance fees, utilities, etc.;
- liaise directly with developer in case of any defects to the Property within the defect liability period (if applicable);
- For cases of direct purchase from seller, applicant will receive the Property in as is condition;
- Ensure the Property is maintained in a clean, good and tenantable condition, at a standard acceptable to the Bank at all times and inform the Bank on any rectification and remedial works done to the property to address defects or damages.

Options available during the tenure period:

- Option to Purchase (After 12 months tenure):

Option 1: Purchase via Cash Money	Option 2: Secure a mortgage	Option 3: Greenlane migration to mortgage
Own the home by purchasing with cash money at the prevailing locked-in option purchase price.	Own the home by securing a mortgage with Maybank or any other bank.	Migrate to mortgage via greenlane migration process upon request (subject to good payment track record during their tenure with HouzKEY)

What is Greenlane Migration Process?

Greenlane migration process involves processing with no additional documents required and minimal credit checking at the point of entry into mortgage.

Eligibility for greenlane:

- No event of default has been triggered as covered under the HouzKEY facility with the Bank;
- Your payment history on HouzKEY facility is prompt; and
- Your payment history on any banking facility(ies) is/are prompt.

- Option to Cash Out (After 12 months tenure):
 - Sell the home and keep 100% profit (the difference between the initial locked-in price & the selling price).
- 6 months before 5 years:
 - Option to Renew - Only available to those with lease tenure of more than 5 years.
 - Option to Walkaway - Exit without further obligation after 5 years tenure period.
- 6 months before expiry of Lease Tenure (only to those with lease tenure of more than 5 years)
 - Option to Walkaway - Exit without further obligation after 5 years tenure period.

*Security deposit will be refunded net of all remaining outstanding due to the Bank upon exercising any of the options.

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9. What happens if I terminate within the 5 years lock-in period?

In the event the applicant terminates within the 5 years lock-in period, the applicant will be liable to repay the remainder payment. Should the Bank is able to find a new customer to undertake a lease for the said property, the payment due by the existing customer for the remaining period will be waived (should they have paid up, it will be refunded to them).

10. What are the major risks?

Applicant may be exposed to risks during their tenure which is outlined in the table below with recommended mitigation steps:

Risk	Mitigation
1. Legal action on non-payment	Applicant to make prompt payment and immediately contact Bank should they find any difficulties on payment. Legal action will be taken if the applicant fails to respond to reminder notices and letter of demand.
2. In the event of demise of the applicant, Property is still legally under the Bank's name and not under the applicant's lawful asset	Applicant can secure the property asset from this agreement by appointing a nominee at inception or any point within the tenure. Applicant can opt to take term takaful to cover the Property's purchase price and the Property will be given to the applicant's estate or nominee (if applicable).
3. Any unforeseen events occurs to the Property e.g. earthquakes, flood, etc.	Advisable to take additional takaful to cover any costs related to damages to the Property within the tenure period.
4. Price of Property in the Purchase Price Schedule may be higher than market value at any point of tenure	Applicant may exercise Option to Purchase or Option to Cash Out when the Property market value is higher than property price in schedule.

Applicant should be aware that the Bank has the discretion to terminate the Lease Agreement if any of the following risk occurs:

- a) Any changes in law or policy which impacts this agreement;
- b) Agreement between Bank and developer/seller is terminated;
- c) Transfer of property from developer/seller to the Bank cannot be completed; or
- d) Consent to lease was not obtained from the relevant authorities.

In this case, the Bank is to refund all monies (except processing fee and tax) paid by the applicant where applicable, all documents furnished for purpose of this agreement to be returned to one another and applicant is to re-deliver the vacant possession of the Property to the Bank.

Action item by the Applicant before agree to undertake HouzKEY:

Applicant is required to assess the risks that he/she will undertake for a HouzKEY facility and is advised to protect his/her interest via the recommended mitigations above or any other alternative options available to the applicant.

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11. Do I need any insurance/takaful coverage?

The applicant must take fire takaful to cover the Property on annual basis which is paid by the Bank and borne by the applicant. It is also advisable for the applicant to take the term takaful at own expenses to ensure the property can be purchased by the applicant in the event of death or total permanent disability.

12. How do I appoint a nominee?

You should appoint a nominee that has the intent and financial ability to continue with your HouzKEY arrangement in the unfortunate event of your passing. You should also keep your guarantors, (if any) informed on the named nominee.

There are two ways to appoint a nominee:

- a) Indicate to the Maybank officer during signing of lease agreement with the Bank; and
- b) Add in "My Nominees" tab any time after you have logged into maybank2own.com

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

It is important that you inform us of the change in your contact details by updating your profile information in [My Profile] at www.maybank2own.com to ensure all correspondences will reach you in a timely manner.

14. Where can I get further information?

For further information on HouzKEY, please visit www.maybank2own.com.

15. Where can I get assistance and redress?

Counter 45 & 46, Maybank Kuala Lumpur Main Branch
1st Floor Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur.
Email: m2own@maybank.com
Webchat via www.maybank2own.com
Tel: 03 - 2070 8833 ext 11608/11612/5193
Monday to Thursday from 8.45 am to 5.45 pm
Friday from 8.45 am to 4.45 pm

Maybank Customer Care
Hotline : 1-300 88 6688 or 603-78443696 (overseas)

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/financing restructuring for individuals. You can contact AKPK at:

Tingkat 8, Maju Junction Mail, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel: 1-800-22-2575
Email: enquiry@akpk.org.my

If you wish to complaint on the products or services provided by us, you may contact us at:

Customer Feedback Management
Level 28, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur
Hunting Line: 03-20748075
Email: cfm@maybank.com.my

If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia

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LINK or TELELINK at:

Block D, Bank Negara Malaysia, Jalan Dato'Onn, 50480 Kuala Lumpur

Tel: 1-300-88-5465

Fax: 03-21741515

Email: bnmtelelink@bnm.gov.my

16. Other Information & Disclaimer

The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative and not binding on the Bank. The final terms and conditions are as stipulated in the binding legal agreement between the applicant and the Bank for your HouzKEY facility.

IMPORTANT NOTE:

**THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AGAINST YOU
SHOULD YOU FAIL YOUR MONTHLY PAYMENTS & OTHER OBLIGATIONS**