

FREQUENTLY ASKED QUESTIONS (FAQs) on BOCM Retail Loan Products

1. What are the retail loan products that BOCM offers?

BOCM offers retail loan products to individuals who want to finance purchase / refinance their properties. The below is the description of the respective products:

Product	Description(s)												
Housing Loan (HL)	HL is a secured loan granted to an individual customer to part finance the purchase of a residential property / refinance on the existing residential property from other Banks. This facility is calculated on a variable rate basis and you are offering your residential property as a security to the Bank.												
Term Loan (TL)	TL is a secured loan granted to an individual customer to part finance the purchase of a non-residential property / refinance on the existing non-residential property from other Banks. This facility is calculated on a variable rate basis and you are offering your non-residential property as a security to the Bank.												
Flexi Housing Loan (FLX HL) /	This facility is calculated on a variable rate basis and you are offering your property as a security to the Bank. It offers flexibility on deposit and withdrawal of the available balance from the flexi current account (FLX CA) at any time while enjoying loan interest savings by linking your FLX CA to the FLX HL account. The available balance held in the FLX CA at the end of each day will be utilized to set-off the FLX HL end day outstanding balance, subject to “interest offset limit”, whichever is lower. Interest Offset Limit will be capped at 70% of the total loan outstanding balance. The Net Loan Balance will be charged at the effective interest rate of the loan. Illustration on Net Loan Balance for interest calculation: <table><tr><th>Loan Balance-end day (RM)</th><th>Interest Offset Limit at 70% (RM)</th><th>Current A/c Credit Balance-end day (RM)</th><th>Net Loan Balance for interest calculation (RM)</th></tr><tr><td>1,000,000</td><td>700,000</td><td>550,000</td><td>450,000</td></tr><tr><td>1,000,000</td><td>700,000</td><td>900,000</td><td>300,000</td></tr></table>	Loan Balance-end day (RM)	Interest Offset Limit at 70% (RM)	Current A/c Credit Balance-end day (RM)	Net Loan Balance for interest calculation (RM)	1,000,000	700,000	550,000	450,000	1,000,000	700,000	900,000	300,000
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	Net Loan Balance is derived from the end day loan balance offset against interest offset limit or end day current account credit balance, whichever is lower. Interest calculation formula: $\frac{\text{Net Loan Balance} \times 1 \text{ day} \times \text{loan effective interest rate}}{365}$
Overdraft Facility secured by Fixed Deposit	Overdraft Facility secured by Fixed Deposit (FD) is a revolving credit facility that is repayable on demand. You are pledging your FD to the Bank for this facility. This facility shall be granted to individuals as personal advances purposes. This secured overdraft facility is calculated on a variable rate basis and interest is charged daily on the amount drawn from your overdraft facility.
2. What types of properties does BOCM finance?	
Loans are granted to individual who purchase the following properties located in Malaysia: • Residential Properties (landed or strata units) i.e. condominium, apartment, double storey terrace house, etc. • Commercial properties i.e. shop houses, industrial factories etc. • Land i.e. agricultural land, bungalow land, commercial land etc.	
3. What are the eligible criterias to apply loan with BOCM?	
a) Individual aged between 18 to 70 years old. b) Malaysian citizens, Permanent Residents and Foreigner may apply.	
4. What is the interest rate?	
The facility is calculated on a variable rate basis which is pegged with Standardised Base Rate (SBR). The SBR is equivalent to the Overnight Policy Rate (OPR), which reflects the monetary policy stance as decided by the Monetary Committee of Bank Negara Malaysia (BNM). The formula for interest rate is SBR + Bank spread.	
5. What is the maximum financing for that I can enjoy?	
You can enjoy maximum up to 90% margin of financing i.e. based on the purchase price of Open Market Value, whichever is lower and subject to eligibility. As for Overdraft secured with Fixed Deposits, you can enjoy maximum up to 100% margin of financing.	
6. Can I have a joint applicant on the loan?	
Yes, you can include a joint applicant to apply loan with you.	



7. What are documents that I need to submit for the loan application?

The basic documents required for Loan Application includes but not limited to the following:

Employed Individual	Self-Employed Individual
✓ Completed Loan Application Form ✓ Identity Documents ✓ Income Documents (i.e. Latest 3 months payslip, EPF statement, 2 years BE Form or E-Filing supported with tax payment receipt or acknowledgement, bank statement)	✓ Completed Loan Application Form ✓ Identity Documents ✓ Income Documents (i.e. Business Registration or any valid business certification, latest 2 years B Form or E-Filing supported with tax payment receipt or acknowledgement).

Note: The Bank may request / require additional supporting documents for the loan assessment and eligibility.

8. Do I need any insurance coverage?

Mortgage Reducing Term Assurance (MRTA) / Mortgage Level Term Assurance (MLTA) is optional but encouraged. It is a type of life insurance that pays off the loan in the event of the borrower's death or total permanent disability.

Aside from the above mentioned life insurance, fire or houseowner insurance is required to cover the property against the risk of fire, flood and other risks considered necessary and applicable throughout the tenure of the Facility.

9. Can Bank finance the Mortgage Reducing Term Assurance (MRTA) / Mortgage Level Term Assurance (MLTA)?

Yes, Bank can finance the MRTA / MLTA up to 5% of the purchase price or Open Market Value, whichever is lower.

10. How do I make my monthly payment?

You are required to open a Current / Saving Account (CASA) for the loan repayment. Funds will be automatically debited from the CASA account to facilitate for the loan repayment which is due on the 1st of the month upon loan drawdown.

11. Can I redraw my loan with BOCM?

No. Currently BOCM does not allow redrawing facility.

12. Can I do prepayment / early settle my loan during the loan tenure?

Yes, you can. To do so, you have to submit the Service Request Form for Loan Facilities to your nearest branch or email to callcenter@my.bank-of-china.com. The Service Request Form can be obtained from BOCM website and branches.

13. Will there be any fees / charges if I do prepayment / early settlement to my loan?

No, there is no lock in period imposed.

However, please be reminded to service sufficient notices as stipulated in the Letter of Offer

to facilitate for the Bank to process on the request for prepayment / early settlement.

14. How frequent does the Bank issue the loan statement?

The Bank will send loan statement to you on half yearly basis.

You will receive January to June's statement in July while for July till December's statement, you will receive it in the January of the subsequent year.

15. I am interested to apply loan with BOCM. How do I go about it?

You can reach us at BOCM e-Mortgage Appointment or e-Mortgage Application with [URL www.bankofchina.com.my](http://www.bankofchina.com.my)

Alternatively, you may contact our Sales Representatives at +603-2387 8228 / +603-2387 8377 or visit any of our Branches for more information.

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