



29 January 2018

Ref : Express/Guarantor/01

Dear Sir / Madam,

CONVERSION OF CONVENTIONAL MORTGAGE LOAN TO COMMODITY MURABAHAH PROPERTY FINANCING-i FACILITY ("CONVERSION")

We refer to the above and to our General Notice dated 28 December 2015 and Public Notice dated 13 December 2017 respectively.

Please be informed that we wish to convert the abovementioned conventional Mortgage loan to an Islamic property financing based on Shariah concept of Tawarruq known as **Commodity Murabahah Property Financing-i Facility ("CMPF-i")**.

We wish to highlight that this seamless Conversion will be carried out for accounts with no arrears (0 Month-In-Arrears (MIA)). As a result of this Conversion, the terms of the CMPF-i are no less favorable than the existing conventional Mortgage loan. The following are the key features in respect of this Conversion:

- There will be **NO COSTS** to be incurred by the Customer for this Conversion exercise as MBSB will be absorbing all costs and expenses;
- The remaining principal balance under the existing conventional Mortgage loan will be converted and shall continue to be paid on a monthly basis under the CMPF-i;
- There will be **NO CHANGE IN THE RATE** and the Customer **SHALL PAY THE SAME MONTHLY PAYMENT USING THE SAME ACCOUNT NUMBER**;
In addition, there will be protection of Contracted/Ceiling Profit Rate of 11.0% p.a. or 9.0% p.a. (for Statutory Housing Loan) or 5.5% p.a. (for Public Low Cost Housing Loan) upon the fluctuation of MBSB's Effective Cost of Fund-i (ECOF-i) throughout the CMPF-i Tenure;
- The **CMPF-i TENURE** will remain the **SAME**;
- All existing standing and/or auto debit instructions will not be affected and shall continue;
- Any existing security(ies) and/or lien, including but not limited to guarantee(s) and/or indemnity(ies), created and/or pledged to the existing conventional Mortgage loan shall automatically continue to be applied under and/or as security for the CMPF-i; and
- All other terms, save for terms in contradiction with the Shariah principles, will remain unchanged. However, as the converted financing is a sale-based financing on Murabahah basis (cost plus profit) via Tawarruq arrangement, new set of transaction documents for Commodities trading shall be applied.

Under the **FACILITY-i**, the Customer shall appoint MBSB as his/her Agent to do and execute all acts to facilitate the Tawarruq arrangement to:-

- i) Purchase Commodities from MBSB. MBSB will execute a Murabahah Sale Contract at Selling Price based on Murabahah basis (cost plus profit) which shall be payable by you continuing to pay the monthly payment.
- ii) Sell the same Commodities thereafter to a third party at an amount equivalent to the principal balance of the existing conventional Mortgage loan (Purchase Price). The proceeds from the sale of the Commodities shall be used to settle the conventional Mortgage loan and thereupon the Customer's payment obligation under the CMPF-i commences.

We attach herewith the **Frequently Asked Questions** for further understanding and guidance in respect of the Conversion and a specimen of the **Addendum** to the existing conventional Mortgage loan instruments and all other security documents ("**Loan Instrument**"). The **Addendum** will modify the terms of the Loan Instrument to comply with the Shariah principle.

The Conversion will also include all conventional fixed deposit ("**FD**") accounts that are currently held under lien to loan facilities (if any), and as such, if the FD accounts are held under lien, your consent, as guarantor, in the form and manner set out below shall apply for Conversion of both products i.e. FD and loan facility.

Kindly inform us of your decision in the attached Response Form ("**Form**") and return it to us within **thirty (30) days** ("**Stipulated Time**") from the date of this Specific Notice:-

- i) **If you, as guarantor, agree to proceed with the Conversion**, kindly signify your consent in the Form and return it to us within the Stipulated Time.
- ii) **If you, as guarantor, do not wish to proceed with the Conversion**, kindly signify your disagreement in the Form and return it to us within the Stipulated Time. The Customer is then required to **redeem the account within six (6) months** from the date of this Specific Notice.



For the following -

- i) Accounts with no response **received** within **thirty (30) days** from the date of this Specific Notice and thereafter **not redeemed within six (6) months** from the date of this Specific Notice;
- ii) Accounts with **response not to proceed with the conversion** and thereafter **not redeemed within six (6) months** from the date of this Specific Notice; or
- iii) Accounts that are still in arrears.

MBSB will transfer the abovementioned Accounts to a third party at no cost to you whereby, in such situation, MBSB will not be in any position to guarantee that the loan terms imposed by such third party will remain the same as per the existing commitments with MBSB.

If you would like to enquire further, we request that you kindly contact our dedicated **Customer Call Centre (CCC)** at **03-2096 3000 between 8.30 a.m. to 5.30 p.m. on weekdays** or e-mail at conversion@mbsb.com.my.

We thank you for your trust and continuous support towards MBSB.

Yours faithfully,
MALAYSIA BUILDING SOCIETY BERHAD (9417-K)

Note: This letter is computer-generated; no signature is required.

To: Malaysia Building Society Berhad,

CONVERSION FROM CONVENTIONAL MORTGAGE LOAN TO *COMMODITY MURABAHAH PROPERTY FINANCING-i* FACILITY

1. Guarantor Details				
Name	<Name of Guarantor>		NRIC No.	<NRIC No>
Contact No.	House		Office	
	Mobile		Fax	
	E-mail			
Mailing Address				
2. Customer Details				
Name (1)	<Name of customer>			
Name (2)	<Name of customer>			
Name (3)	<Name of customer>			
Name (4)	<Name of customer>			
Account No.	<Loan Account No.>			
3. Affirmation (Please indicate (√) your decision in the box below by selecting one (1) option)				
<input type="checkbox"/> I hereby agree to convert the conventional Mortgage loan to Commodity Murabahah Property Financing- <i>i</i> Facility;				
OR				
<input type="checkbox"/> I hereby disagree to convert the conventional Mortgage loan to Commodity Murabahah Property Financing- <i>i</i> Facility.				
Signature :				
<hr style="width: 40%; margin-left: 0;"/>				
Date:				

Important: Please return this form to MBSB within **thirty (30) days** from the date of this Specific Notice through the following channels:

- (a) e-mail at conversion@mbsb.com.my; or
 (b) any of **MBSB's Sales and Service Centre (SSC)**.