



29 January 2018

Ref: Express/Customer/Non-Indiv/01

Dear Valued Customer(s),

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

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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 your abovementioned conventional Mortgage loan to 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 your existing conventional Mortgage loan. The following are the key features in respect of this Conversion:

- There will be **NO COSTS** to be incurred by you 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 you 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) upon the fluctuation of MBSB's Effective Cost of Fund-i (ECOF-i) throughout the CMPF-i Tenure;
- Your **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 created in respect of 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 **CMPF-i**, you shall appoint MBSB as your 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 your payment obligation under the CMPF-i commences.

We attach herewith **Frequently Asked Questions** for your further understanding and guidance in respect of the Conversion and a specimen **Addendum** to your 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 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 your FD accounts are held under lien, your consent in the form and manner set out below shall apply for Conversion of both products i.e. FD and loan facility.

Without prejudice to powers already given to MBSB under the conventional Mortgage loan instruments to undertake Conversion:-

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 agree to proceed with the Conversion**, kindly signify your consent in the Form and return it to us within the Stipulated Time. Kindly **regularize your account immediately** (if applicable) to be eligible for the Conversion.
- ii) **If you do not wish to proceed with the Conversion**, kindly signify your disagreement in the Form and return it to us within the Stipulated Time. You are then required to **redeem your 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 your 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](mailto: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. Customer Details			
Name	<Name of customer>		Company Registration No. <Company Registration No>
Contact No.	Office		Fax
	E-mail		
Mailing Address			
2. Joint and Several Guarantee Details			
Name (1)	<Name of Guarantor>		NRIC No. <NRIC No>
Name (2)	<Name of Guarantor>		NRIC No. <NRIC No>
Name (3)	<Name of Guarantor>		NRIC No. <NRIC No>
Name (4)	<Name of Guarantor>		NRIC No. <NRIC No>
Account No.	<Loan Account No.>		
3. Affirmation			
<input type="checkbox"/> We hereby <b>agree to convert</b> the conventional Mortgage loan to Commodity Murabahah Property Financing- <i>i</i> Facility;			
<b>OR</b>			
<input type="checkbox"/> We hereby <b>disagree to convert</b> the conventional Mortgage loan to Commodity Murabahah Property Financing- <i>i</i> Facility.			
<b>To be signed by the Authorized Signatories in accordance with the company mandate as per MBSB's records:-</b>			
Authorized Signatory :		Authorized Signatory :	
<hr/>		<hr/>	
Date:		Date:	
Authorized Signatory :		Authorized Signatory :	
<hr/>		<hr/>	
Date:		Date:	
Company Stamp:			

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](mailto:conversion@mbsb.com.my); or  
 (b) any of **MBSB's Sales and Service Centre**.