

## FAQs on our Additional Deferment Programme 2 / Payment Reduction Programme 2 for Individual / Retail customers (Updated 30 July 2021)

(Following speech by the Prime Minister on 28 June 2021)

*If you have applied for either of these programmes between 10 June 2021 – 6 July 2021, please refer to the [FAQs](#) published 10 June 2021.*

- Who is eligible for this programme?**

Effective from 7 July 2021, our **Additional Deferment Programme 2 / Payment Reduction Programme 2** will be extended to all customers which:

  - Have existing loan / financing approved on or before 30 June 2021
  - Are not in arrears for more than 90 days at the time the customer requests for assistance.
  - Are not an undischarged bankrupt or subject to a bankruptcy proceeding at the time of request.

These programmes are open to all mortgages, personal financing (including restructured and rescheduled accounts) and overdraft facilities (with balances in excess of the approved limit) which meet the above criteria.

Please note:

  - No supporting documents are required to prove eligibility
  - If your account is enrolled under AKPK Debt Management program, please contact AKPK for enrolment at [www.akpk.org.my](http://www.akpk.org.my) or contact AKPK at 03-26167799.
- What assistance am I eligible for?**

Customers can choose either:

  - 6-months payment relief/deferment; or
  - Up to 50% reduction of monthly payments for 6 months.

Note: For **eligible overdraft customers**, only 6-months payment relief/deferment is available.
- How do I participate in the programme?**  
OR  
**How do I choose?**

Customers may choose the assistance programme which suits their needs by submitting their application using our online application form available on [our website here](#).

The programme is by application, subject to the bank's review and approval.

**Please read and agree to our [HSBC Malaysia/ HSBC Amanah Additional Deferment Programme 2/Payment Reduction Programme 2 Terms](#) before submitting your request.**

**By submitting your choice for Additional Deferment Programme 2/ Payment Reduction Programme 2, you are deemed to have read and agreed to the Terms and Conditions applicable to you, and you confirm that you are eligible for the programme.**

Please submit your request online. You will receive an SMS confirmation within 2 days. If we are unable to confirm your eligibility within this period, we will respond to you within 5 days.

4 When will the programme start?

The programme will commence from your next instalment/payment.

For HSBC Bank accounts, if you are not already on any programme or are switching from Payment Reduction 2 to Additional Deferment 2, any unpaid instalments/overdue amount in arrears will be capitalized\* and added to the principal balance of your facility at the commencement of the programme.

For HSBC Amanah accounts, only the principal / purchase price portion of the overdue amount will be capitalized\* and added to the principal balance of your facility at the commencement of the programme.

For applications made in July, if you wish for the programme to commence in July or you have paid your July instalment and would like a refund, please call our Contact Centre for arrangements.

*\*Not applicable to overdraft facility.*

5 With this programme, will I have to pay more or incur further interest/profit/lease rental?

If you choose to continue with this programme, the interest / profit / lease rental will continue to accrue and the financing tenure will be adjusted\* in accordance with the tenure of the programme to reflect the higher overall financing cost. Hence, the total amount payable for your loans/financing will be higher if you choose to continue with any of the options in the programme.

For HSBC Bank mortgages & other floating rate facilities\*:

The interest accrued during the programme will be capitalized to your account at the end of the programme. Your instalment amount will increase due to the capitalization.

For HSBC Amanah mortgages & other floating rate facilities\*:

The lease rental accrued during the programme will be segregated to a new second account ("Second Account") which requires separate payments and will commence at a later date. Your monthly payment amount will increase when you are required to make payment for the Second Account in addition to the existing facility account.

For Amanah Personal Financing-i & other fixed rate facilities:

The profit accrued during the programme will be segregated to a new second account ("Second Account") which will be due as a one-time payment at the end of your financing tenure. Thereafter, your monthly payment amount will remain the same as before the programme.

Example 1: Conventional Mortgage

| Remaining Principal: RM 500,000                          |   |  |
|--|---|--|
| Remaining Loan Tenure: 240 months (20 years)             |   |  |
| Interest Rate: 3.25% p.a.                                |   |  |
| Current<br>Not on any<br>financial assistance programmes | Option 1:<br>6-month deferment of<br>monthly instalment | Option 2:<br>50% reduction of monthly<br>instalment for 6 months |
| Monthly Instalment                                       | Monthly Instalment                                      | Monthly Instalment   |
| RM2,836  | BEFORE financial assistance period                      | BEFORE financial assistance period                               |
|  | DURING financial assistance period                      | DURING financial assistance period                               |
|  | 1 <sup>st</sup> Month AFTER financial assistance        | 1 <sup>st</sup> Month AFTER financial assistance period          |
|  | 2 <sup>nd</sup> Month thereafter                        | AFTER financial assistance period                                |
| Total interest amount                                    | Total interest amount                                   | Total interest amount  |
| RM180,635  | RM191,682   | RM188,618  |
| Increase in interest amount                              | Increase in interest amount                             | Increase in interest amount                                      |
| RM11,047   | RM7,983   |  |
| Remaining Tenure from Current Date                       | Remaining Tenure from Current Date                      | Remaining Tenure from Current Date                               |
| 240 months<br>(20 years)                                 | 246 months<br>(20 years + 6 months)                     | 246 months<br>(20 years + 6 months)                              |

- Option 2 instalment is slightly lower as the instalment during the 6 months reduction is sufficient to reduce some principal.
- Subject to no change in BR/BLR rate throughout the remaining tenure of your loan.
- This tells you the difference in total interest payable as a result of the financial assistance programme (Option 1 or 2)
- Remaining tenure will be extended by 6 months as a result of the financial assistance programmes

Examples shown are for illustration purposes. The length of tenure extension and interest charges may vary depending on the loan's interest rate and the remaining tenure and whether you have unpaid instalments prior to entering the programmes.

### Example 2: Amanah Home Financing

| Remaining Principal: RM 500,000                                |  |   |  |
|--|--|---|--|
| Remaining Financing Tenure: 240 months (20 years)              |  |   |  |
| Lease Rental Rate: 3.25% p.a.                                  |  |   |  |
| Current<br>Not on any<br>financial assistance programmes       | Option 1:<br>6-month deferment of<br>monthly payments  | Option 2:<br>50% reduction of monthly<br>payments for 6 months              |  |
| Monthly Instalment   | Monthly Instalment   | Monthly Instalment  |  |
| RM2,836  | BEFORE financial assistance period<br>RM2,836  | BEFORE financial assistance period<br>RM2,836                               |  |
|  | DURING financial assistance period<br>RM0  | DURING financial assistance period<br>RM1,418                               |  |
|  | 1 <sup>st</sup> Month AFTER financial assistance<br>RM2,836<br>From September 2022 & thereafter<br>RM2,871 | 1 <sup>st</sup> Month AFTER financial assistance period<br>RM2,834          |  |
| 2 Total lease rental amount<br>RM180,635                       | 2 Total lease rental amount<br>RM188,760   | 2 Total lease rental amount<br>RM189,618                                    |  |
|  | 3 Increase in lease rental amount<br>RM8,125   | 3 Increase in lease rental amount<br>RM7,983                                |  |
| Remaining Tenure from Current Date<br>240 months<br>(20 years) | 4 Remaining Tenure from Current Date<br>246 months<br>(20 years + 6 months)                                | 4 Remaining Tenure from Current Date<br>246 months<br>(20 years + 6 months) |  |

- 1 Assuming 6-month deferment is between July – December 2021. Option 2 instalment is slightly lower as the instalment during the 6 months reduction is sufficient to reduce some principal.
- 2 Subject to no change in BR/BFR rate throughout the remaining tenure of your financing.
- 3 This tells you the difference in total lease rental payable as a result of the financial assistance programme (Option 1 or 2)
- 4 Remaining tenure will be extended by 6 months as a result of the financial assistance programmes

Examples shown are for illustration purposes. The length of tenure extension and lease rental charges may vary depending on the financing's lease rental rate and the remaining tenure and whether you have unpaid payments prior to entering the programmes.

### Example 3: APFi

| Remaining Principal: RM 50,000                               |   |  |  |
|--|---|--|--|
| Remaining Financing Tenure: 48 months (4 years)              |   |  |  |
| Profit Rate: 10.5% p.a. (flat rate)                          |   |  |  |
| Current<br>Not on any<br>financial assistance programmes     | Option 1:<br>6-month deferment of<br>monthly payments   | Option 2:<br>50% reduction of monthly<br>payments for 6 months   |  |
| Monthly Instalment   | Monthly Instalment  | Monthly Instalment   |  |
| RM1,479  | BEFORE financial assistance period<br>RM1,479   | BEFORE financial assistance period<br>RM1,479  |  |
|  | DURING financial assistance period<br>RM0   | DURING financial assistance period<br>RM740  |  |
|  | 1 <sup>st</sup> Month AFTER financial assistance<br>RM1,479<br>LAST PAYMENT<br>RM6,079<br>(RM1,479 monthly instalment + RM4,599 profit accrued and unpaid during deferment) | 1 <sup>st</sup> Month AFTER financial assistance period<br>RM1,479<br>LAST PAYMENT<br>RM1,641<br>(RM1,479 monthly instalment + RM162 profit accrued and unpaid during reduction of monthly payments) |  |
| 2 Total profit amount<br>RM21,000                            | 2 Total profit amount<br>RM25,599   | 2 Total profit amount<br>RM25,599  |  |
|  | 3 Increase in profit amount<br>RM4,599  | 3 Increase in profit amount<br>RM4,599   |  |
| Remaining Tenure from Current Date<br>48 months<br>(4 years) | 4 Remaining Tenure from Current Date<br>54 months<br>(4 years + 6 months)   | 4 Remaining Tenure from Current Date<br>54 months<br>(4 years + 6 months)  |  |

- 1 Any profit accrued and unpaid during the programme will be due in your last payment
- 2 This tells you the total profit amount payable as a result of the financial assistance programme (Option 1 or 2)
- 3 This tells you the difference in total profit amount payable as a result of the financial assistance programme (Option 1 or 2)
- 4 Remaining tenure will be extended by 6 months as a result of the financial assistance programmes

Examples shown are for illustration purposes. The length of tenure extension and profit charges may vary depending on the financing's profit rate and the remaining tenure and whether you have unpaid payments prior to entering the programmes.

As such, you should carefully assess whether you really need the temporary financial relief and whether you can afford to continue to with your regular payments before deciding to apply for the financial assistance.

If, after taking up this programme, your financial situation improves and you wish to cancel the programme before the programme period ends or you wish to review your payment options after the programme has ended, please inform us. We can assist to review your facility and to offer the options available to you, which may include:

1. You can pay off the difference between any instalments paid during the programme and your usual instalments, and reduce the tenure by the months you were on the programme;
2. You can pay off the accrued interest / profit / lease rental partially / fully. For HSBC Bank facilities, such payment will reduce the overall interest charged. For HSBC Amanah facilities, such payment will reduce your future monthly payments / final payment amount at the end of your tenure;
3. You can request to retain your original tenure with a revised higher monthly instalment.

We may update the above options from time to time.

*\*Not applicable to overdraft facility*

Yes, as long as you meet the eligibility criteria.

If you are currently on any other temporary financial relief or targeted assistance programme with us, the existing other temporary financial relief or targeted assistance programme will be cancelled prior to any additional

6 If I am already on an existing HSBC Targeted Assistance Programme / Additional Deferment

Programme 2 / Payment Reduction 2 Programme, can I still apply for this Programme?

deferment / payment reduction programme taking effect. This refers to a switch in programme type e.g. from Additional Deferment Programme 2 to Payment Reduction Programme 2; or from Payment Reduction Programme 2 to Additional Deferment Programme 2.

If you are already on an existing payment reduction programme, you may also request for further revision to your monthly instalment amount which if approved by us will be applied to your remaining payment reduction period.

### For HSBC Bank (Conventional Banking)

Please take note that the capitalization of accrued interest for your account is as follows:

| Capitalization of accrued interest  | Home Smart account   | Other types of personal or mortgage financing account (excluding overdraft)                                     |
|---|--|---|
| All accrued interest will be capitalized at the end of the new /extended programme, i.e. when you resume your normal instalment   | <ul style="list-style-type: none"> <li>You apply for the same payment assistance programme (e.g. extension).</li> <li>You switch from payment reduction programme to a deferment programme.</li> </ul> | You apply for the same payment assistance programme (e.g. extension).   |
| Accrued interest from the previous programme will be capitalized during cancellation of previous programme, <i>and</i> interest accrued from the new programme will be capitalized at the end of the new programme. | You switch from a deferment programme to a payment reduction programme.  | You apply for a different payment assistance programme than your existing ongoing payment assistance programme. |

**For HSBC Amanah (Islamic banking) excluding overdraft**, the treatment of accrued profit / lease rental (if any) will be as stated in Clause 7 of the Additional Deferment 2 / Clause 5 of the Payment Reduction Programme 2 terms and conditions for HSBC Amanah which can be found here.

We strongly encourage you to get in touch with us to review your payment terms when your financial circumstances improve in order to reduce your borrowing / financing costs or to discuss for a sustainable repayment/payment assistance plan for the period beyond this assistance including addressing any outstanding payments in arrears.

|     |   |   |
|-----|---|---|
| 7.  | Will I incur any fees for applying to this targeted assistance programme?                     | No. The bank will not be imposing any fees or charges for this programme.   |
| 8.  | What will happen to my credit-related insurance/takaful coverage?                             | <p>As a result of the additional deferment on financing payments, the original terms of credit-related insurance/takaful for your financing may be insufficient to cover the revised payment schedules.</p> <p>Hence, you may face material consequential protection gaps on your insurance/takaful coverage resulting from deferment and targeted assistance programme.</p> <p>Please reach out to your insurance / takaful provider if you require further information.</p> |
| 9.  | Would my CCRIS record be affected if I choose to take up a Targeted Assistance Programme.     | No, you can be assured that any financial assistance taken will not impact your CCRIS ("Central Credit Reference Information System") status.   |
| 10. | What if I am unable to meet the payment requirements after the Targeted Assistance Programme? | If you require more financial assistance once the Targeted Assistance Programme has ended, please reach out to us to discuss your options.  |
| 11. | How do I reach out to HSBC if I have further queries on the financial assistance programmes?  | You may contact us at 03-8321 8866, Monday to Sunday, 9am to 9.30pm.  |

We are regularly updating our FAQs, please check back here as we add on more answers to the questions that you might have. Thank you.