



## PRODUCT DISCLOSURE SHEET

Date: 12/12/2018

*(Please read this Product Disclosure Sheet before you decide to apply the mortgage / credit facility. Please be sure to also read the terms in the letter of offer and loan documents which will be given post loan approval. Kindly seek clarification if you do not understand any part of this document or the general terms)*

<b>Product</b>	<b>Buy to Let (BTL) Mortgage</b>
<b>Property Location</b>	<b>London, England (Zone 1/2/3)</b>
<b>Currency Used</b>	<b>GBP</b>

### 1. What is this product about?

This Term Loan facility (“Facility”) is offered to existing HNW clients of Maybank Group to purchase or refinance either completed or 12 months nearing completion residential property/ies in Central London (Zone 1, 2 & 3). This Facility is to be secured against legal charge over the residential property/ies. Additional security such as fixed deposits, guarantees, etc. may be required depending on the Bank’s internal credit assessment and final approval.

Borrower(s) shall open a Rent Collection Account to assign the net rental proceed from the property/ies to the bank for the repayment of this Facility.

This Facility is intended for the following purposes:

- To part finance the purchase of residential property/ies.
- To refinance existing loan/financing from other banks.
- To re-mortgage residential property/ies that is/are free from encumbrance.

This Facility is restricted for buy to let arrangement and not meant for own occupation.

Typically, the maximum Facility amount is lesser than the value of the property charged and in the case of new purchase, the difference between the Facility amount and the purchase price (or the open market value (OMV), whichever is lower) is to be settled by the borrower(s) first before the Facility is released e.g.

Property Purchase Price	GBP (£) 1,000,000
Financing Amount (80% of the property price)	GBP (£) 800,000
<b>Amount to be paid by Borrower(s) (20% of property price)</b>	<b>GBP (£) 200,000</b>

The monthly instalment for loan repayment will commence upon full disbursement of this Facility. See examples below:-

Date of Full Loan Disbursement	Date of Commencement of Instalment	E.g. : Date of Full Loan Disbursement	E.g. : Date of Commencement of Instalment Amount
1 <sup>st</sup> - 10 <sup>th</sup> of the Month	1 <sup>st</sup> of the following month	3 <sup>rd</sup> April 2019	1 <sup>st</sup> May 2019
11 <sup>th</sup> of the Month Onwards	1 <sup>st</sup> of the following bi-month	15 <sup>th</sup> April 2019	1 <sup>st</sup> June 2019



## 2. What do I get from this product?

Subject to approval, below are the main product features:-

<b>Principal Loan Amount</b>	<b>Margin of Advance</b>	<b>Interest Rate</b>
	Up to 80%	Cost-of-fund + 1.25% p.a.
	Up to 60%	Cost-of-fund + 1.00% p.a.
<p>This is a Non Free Moving Cost package i.e. costs pertaining to legal documentation, disbursements, valuation fees and other relevant costs will be fully borne by borrower(s).</p> <p><i>Note: COF and interest rate are subject to change.</i></p>		
<b>Financing Amount</b>	<ul style="list-style-type: none"> <li>• Minimum loan : £100,000.00</li> <li>• Maximum loan : £5,000,000.00</li> </ul>	
<b>Tenure</b>	<p>Maximum of:</p> <ul style="list-style-type: none"> <li>• 30 years; or</li> <li>• Age of 70 years, whichever is earlier.</li> </ul>	
<b>Property Type</b>	All completed or nearing completion residential property/ies within Central London (from Zone 1, 2 & 3)	
<b>Minimum Lease</b>	The remaining leasehold period shall not be less than 50 years, inclusive of the financing years.	
<b>Lock-in Period</b>	One (1) year from the loan disbursement date.	
<b>Availability of Offer</b>	12 months from the date of Letter of Offer.	

### Portfolio Landlord (PL)

From 30<sup>th</sup> Sep 2017, the Prudential Regulation Authority (“PRA”) requires lenders to carry out specialist affordability checks on any borrower(s) who falls into this category. Portfolio landlord is defined as any buy to let landlord with four or more existing mortgaged rental properties.

#### So, what does this mean for you?

Lenders need to make sure that you are not over-exposed and as such will look to stress test background portfolios i.e. the Bank will take into account the borrower’s (borrowers’) entire buy to let (BTL) portfolio when making a lending decision. Hence, the following shall apply:

1. Maybank may request property investment experience and business plan for your property portfolio. (A template of Portfolio Landlord will be given for your completion).
2. Higher Interest rate compared to the advertised rate by at least 25bps subject to the Bank’s final approval.



### 3. What will be the mode of financing and how monthly instalment is computed?

Mode of financing is via Term Loan with principal and interest repayment. The interest charged is based on the floating rate of the Bank's Cost of Fund (COF) plus margin spread (e.g. COF+1.25% p.a.).

The repayment of this Term Loan is a monthly instalment calculated based on the prevailing interest rate. The following is an illustration of how the interest is charged:

<b>Loan Amount Disbursed</b>	GBP (£) 200,000
<b>Interest Rate</b>	COF + 1.00% p.a. (2.76% + 1.00% = 3.76%)
<b>Monthly Interest</b>	GBP (£) 200,000 x 3.76% x 31/365days = GBP (£) 638.68
<b>Assumption</b>	a) COF = 2.76% b) No. of days in months = 31/30/29/28

- Note: 1. The COF and interest rate are subject to change.  
2. A main composition of COF is the Bank of England's (BOE) Rate.

### 4. What are the fees that I have to pay?

Before Your First Monthly Payment		
<b>Mortgage Processing Fee</b>	To cover the assessment and processing costs of your Mortgage application (non-refundable even if your application is unsuccessful or withdrawn by you).  Fifty percent (50%) is payable during submission of loan application and balance upon acceptance of our Letter of Offer.	£1,000
<b>Amendments to Offer</b>	To cover credit reassessment and administration costs in relation to request for changes/revisions made by you after our Bank's issuance of Letter of Offer.	£25
<b>Valuation Fee</b>	The property valuation shall be undertaken by the Bank's panel valuer for the purpose of this financing.	To be quoted by valuer.
<b>Solicitor's Conveyancing Costs</b>	The conveyancing works shall be undertaken by the Bank's panel solicitor for the perfection of loan legal documentation, charge over property and/or any other professional service in relation to this Facility.	To be quoted by solicitor.
<b>Funds Transfer Fee</b>	To cover the cost of electronic funds transfer in relation to disbursement of your Facility.	£25
<b>Additional copy Loan Statement</b>	Provision of duplicate copies of Annual Loan Statement and/or Certificate of Annual Interest at your request.	£25



### After Commencement of Your Mortgage

<b>Annual Valuation Fee</b>	To cover the costs of annual property valuation by the Bank's panel valuer and other relevant credit administration costs. Said valuation is strictly for the Bank's internal use.	£100
<b>Deed Retrieval Fee</b>	To cover the costs for provision of deed to the Bank's panel solicitor other than for the purpose of loan redemption.	£25
<b>Restructuring/ Rescheduling (R&amp;R)</b>	To cover the credit administration costs in relation to your request for Facility R&R (if any).	£250
<b>Returned Payment Charge</b>	To cover the credit administration costs when your monthly mortgage payment is returned by the Bank unpaid.	£12
<b>Charges Relating to Leasehold Property(ies)</b>	<p>To cover the charge made for the administration of the payment of ground rent/service charge; if you fail to make the necessary payment.</p> <p>The charge quoted is to cover the Bank's cost in carrying out the work. For clarity, this amount excludes the actual costs of ground rent and/or service charge payable.</p>	£50

### If You Fall Into Arrears

<b>Late Payment Charges</b>	Late payment penalty in relation to arrears in your loan repayment and/or debt service.	£50 per month or computed at 1% over and above your mortgage interest rate; whichever is higher.
<b>Default Notice</b>	Formal notice issued by the Bank to you in relation to your loan default.	£30 per contact address.
<b>Litigation Costs</b>	All litigation costs due to event of default shall be fully borne by you.	To be quoted by solicitor.



### Ending your Mortgage Term

<b>Exit Penalty Charge</b>	Charges payable to the Bank if your loan is redeemed/fully settled within one (1) year from the disbursement date.	At 3% of the original loan sum.
<b>Mortgage Exit Admin. Fee or Redemption Fee</b>	To cover the costs of credit administration in relation to Mortgage exit.  You may be charged a separate fee by your solicitor for their work relating to the redemption of mortgage and discharge of security.	£100

**Note:** 1. The above fees is subject to changes.  
 2. Additional fees may be imposed in the future.  
 3. Should there be any inconsistency with the signed letter of Offer (LO), LO will prevail.

## 5. What are my obligations?

Servicing the monthly instalment (due on 1<sup>st</sup> working day of each month) upon full loan disbursement and full compliance with the Terms and Conditions of our Letter of Offer.

### IMPORTANT NOTE:

**THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR PROPERTY FINANCED BY THE BANK SHOULD YOU FAIL TO MAKE PAYMENT PROMPTLY.**

### REQUIRED CONDITIONS FOR TENANCY AGREEMENT

You must let the property to an acceptable tenant latest within three months upon loan disbursement and the property must not be used for own occupation.

### Required Terms for any Tenancy Agreements

- The tenancy agreement must be an Assured Shorthold Tenancy and you must comply with the terms of the Housing Act 1988 (including any future amendment) when you create the tenancy.
- The tenancy agreement must not be for a term of more than twelve (12) months
- Any tenancy agreement must be:-
  - (a) in a form normally used for residential agreements; and
  - (b) contain no terms which can adversely affect our interest as mortgagee
- References about the ability to pay the rent and character must be obtained for the proposed tenant(s) and must be made available when we ask for them.
- You must not let to unacceptable tenants i.e. family members, multiple tenancies, tenants in receipt of a housing benefit from the UK government and people who could claim diplomatic immunity.
- To adhere to other terms and conditions as stipulated in the Letter Offer.



## 6. What are the major risks?

### Credit Risk

- In the event the financing tenure extends into retirement, it is important that borrower(s) have a plan on how to service the repayment after retirement age.
- Due to the forex and market conditions in London, the value of property might be fluctuating from the original margin of finance approved by the Bank.
- Hence, the periodic monitoring of valuation will be conducted on annual basis to ensure that the current loan to value (LTV) does not exceed the original margin of financing.

### Interest Rate Risk

- Since the financing is under Standard Variable Rate (SVR), the number of monthly instalment and/or instalment amount may change from the original terms in Letter of Offer.
- The volatility of movement of COF is subject to the following; among others:-
  - Base rate movement i.e. Overnight rate determined by Bank of England;
  - Inflation and unemployment rate of UK;
  - Political factors and market outlook (financial & property); and
  - Other factors i.e. liquidity tranche and capital flows.
- In circumstances where COF continues to increase significantly, the number of monthly instalments and the instalment amount will be revised accordingly.

## 7. What if I fail to fulfil my obligation

<b>Late Payment Penalty</b>	An additional interest of 1% p.a. or such higher rate (subject to minimum GBP50) shall be imposed by the Bank at any time and from time to time above the prescribed rate shall be charged on any late payment from the date the amount becomes overdue to the date of actual payment, both before, on and after judgement date.
<b>Right to Set-Off</b>	The Bank at its discretion may make the necessary payments on your behalf to safeguard our interest in the property financed and all monies advanced by the Bank thereto on your behalf, may at any time without notice to you be debited into any of your account with Maybank Group as the Bank deems fit.
<b>Right to Commence Recovery or Legal Action</b>	Legal action will be taken if you fail to respond to reminder notice. Your property may be subjected to foreclosure and you will have to bear all costs. The Bank has the right to commence recovery activities (including engaging third party receivers or debt collection agencies), foreclosure and bankruptcy proceedings.  Legal action against you may affect your credit rating.
<b>Right to Review and Terminate The Facility</b>	The Bank retains an absolute right to review and terminate the facility granted to you in the event there is any indication that the property is being used for illegal activities or upon occurrence of any other event of default as agreed in terms and conditions of the Facility.



## 8. What if I fully settle the loan before its maturity

An exit penalty of up to 3% of the approved loan amount if the loan is settled prematurely within 1 year from full loan disbursement.

The Term Loan or any part thereof may at any time be prepaid by giving the Bank three (3) months' notice in writing or by paying three (3) months interest in lieu of notice.

## 9. Do I need any insurance coverage?

You must arrange an insurance of the property and keep it insured at your expense for its full rebuilding cost and the Bank may approve the insurer, risk and terms of this insurance.

### Building Insurance

The Bank requires the property to be protected by a Building Insurance. A Building Insurance including but not limited to the following perils will be taken up:

*Insurance against loss or damage through fire, earthquake, lightning, riot and strike, malicious damage and such other risks as the Bank may require with reputable underwriter(s) or insurance company(ies) with the Bank's interest as chargee endorsed thereon.*

### Annual Renewal of Building Insurance

For freehold properties, the building insurance will take effect from the date the Facility is first disbursed and to be renewed annually on or before the renewal date. You are to instruct the insurance company(ies) to forward the renewed Cover Schedule at each renewal date direct to the Bank, failing which the Bank is entitled but not obliged to insure the property or the loan amount outstanding and the Bank reserves the right to debit your account for all sums incurred (non-refundable) in connection therewith.

For leasehold properties, you are to obtain a copy of the Insurance Cover from the landlord and forward the same to the Bank on or before each renewal date, failing which the Bank is entitled but not obliged to insure the property or the loan amount outstanding and the bank reserves the right to debit your account for all sums incurred (non-refundable) in connection therewith.

## 10. Can I engage my own lawyer or valuer who is not listed in the Bank's panel lawyer or valuer directory?

For solicitor acting for the Bank, only existing Maybank London's panel solicitor can be used. You can use any English practising solicitor whom their firm has presence in the UK.

Only full valuation report by Maybank London's existing panel valuer is accepted.

Therefore, it is highly advisable to consult our Relationship Manager prior to any engagement of professional services.

## 11. Will my information be disclosed to third party

Please refer para 5 (other details) and para 8 (declaration) of the loan application form.

All disclosure is within the permissible cause of General Data Protection Regulation (GDPR).



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

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you need to inform us in writing.

## 13. Governing Law

The mortgage shall be governed by and costumed in accordance with the Laws of England/Wales. The Bank may commence proceedings in the said jurisdiction or elsewhere, irrespective of your place of residence or business, or the place where the Bank Account(s) is maintained.

## 14. Where can I get assistance and redress?

- If you face difficulties in making repayment, you should contact Maybank London earliest possible to discuss repayment alternatives.
- If you wish to lodge complain on the products and services provided by us, you may contact us at:

**Maybank London,  
Private Wealth Management,  
77, Queen Victoria St,  
London, EC4V 4AY.  
Office number: +44(0)20 7382 2265  
Email: privatewealth@maybank.uk.com**

- In the event of dispute, you may seek the services of Financial Ombudsman Service (FOS), an independent official body established by Parliament to provide free services in sorting out problems with financial services. Contact FOS at:

**Financial Ombudsman Service,  
Exchange Tower,  
Harbour Exchange,  
London, E14 9SR.  
Phone: 08000234567 or 03001239123**

### IMPORTANT NOTE:

**YOUR HOUSE MAY BE FORECLOSED IF YOU DO NOT KEEP PAYING INSTALMENTS  
ON YOUR HOME FINANCING**





**Maybank**

Other Information:

The information provided in this disclosure sheet is valid at or until \_\_\_\_\_.

I/We hereby:

- Acknowledge having received and read the disclosure sheet of Buy-to-Let Mortgage
- Agree to be bound by the provisions of the disclosure and any amendments to the same for any mortgage(s) borrowed with you now and hereafter.
- Agree to examine and notify you of any errors, irregularities or discrepancies in the statement of account sent to me/us.

Signature (1)

Signature (2)

.....

Name:

Date:

.....

Name:

Date:

#### Disclaimer

The terms and conditions indicates in the Product Disclosure Sheet are tentative/indicative. The final terms and conditions will be read jointly and superseded as stipulated in the Letter of Offer and Facility Agreement after credit assessment and loan approval.