

PRESS RELEASE

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BANK NEGARA MALAYSIA INTRODUCES STANDARDISED HOUSING LOAN AND HOME FINANCING AGREEMENT FOR RETAIL BORROWERS/CUSTOMERS

KUALA LUMPUR, 29 MARCH 2023 - Bank Negara Malaysia has announced the introduction of a standardised housing loan and home financing agreement for retail borrowers/customers. This initiative seeks to enhance the quality-of-service delivery, promote consumer understanding and comparability of key terms and conditions, and simplify language in such agreements, including borrowers'/customers' and financiers' responsibilities and obligations.

This move reinforces Bank Negara Malaysia's commitment to promoting fair consumer outcomes in the financial industry in accordance with the Policy Document of Fair Treatment of Financial Consumers, as well as other relevant policy documents, guidelines, and circulars issued by the central bank.

As part of the implementation of the standardized housing loan and financing agreement, financial institutions are required to cease imposing any fee, whether directly or indirectly, on housing loan and home financing documents to lawyers, with effect from February 1, 2023.

"Standardizing the housing loan and home financing agreement is a significant step forward in enhancing customer protection in the financial industry, and AIBIM members fully supported this initiative," said Encik Mohd Muazzam Mohamed, President of the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM).

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About AIBIM

The Association of Islamic Banking and Financial Institutions Malaysia (AIBIM) was established in 1995 as the Association of Interest Free Banking Institutions Malaysia. Currently, AIBIM has 26 member banks consists of 12 domestic banks, 4 development financial institutions and 10 locally incorporated foreign banks. The organisation promotes sound Islamic banking system and practice in Malaysia; represents interest of members locally and abroad; provides advice and assistance to members pertinent in the development on Islamic banking and finance at local, regional and global level; coordinates human capital development initiatives, and promotes public awareness. For more information, please go to www.aibim.com.

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