

FREQUENTLY ASKED QUESTIONS (FAQ)
PROCEDURE FOR “GOODWILL DISCOUNT” PROVISION

1. What is a “*Goodwill Discount*”?

- The “*Goodwill Discount*” is a discount offered by the Bank or financial institution to customers who make an early settlement for fixed-rate financing products using the *Rule of 78* method.

2. What is the objective of offering a ‘*Goodwill Discount*’?

- The objective of the “*Goodwill Discount*” is to ensure fair and transparent treatment of customers.
- To give incentives to customers who make an Early Settlement and protects consumer interests in line with Bank Negara Malaysia (BNM) guidelines.

3. What is the *Rule of 78* method?

- It is a method of calculating profit where the total profit is distributed at a higher rate during the earlier periods of the financing schedule.
- This results in customers paying higher profit at the beginning of the financing term and receiving a lower rebate if early settlement is made.

4. Who is eligible for the “*Goodwill Discount*”?

- Customers (individuals, micro or small enterprises) are eligible if they meet all of the following criteria:
 - i. Have Hire-Purchase Financing-i, Vehicle Financing-i or other fixed-rate financing-i using the *Rule of 78* method, either:
 - a. executed before the Hire Purchase (Amendment) Act (HPAA) came into effect; or
 - b. executed within the 18-month grace period after the HPAA came into effect.
 - ii. Make an Early Settlement before the account maturity date; and
 - iii. Must not be under any of the following situation at the time of Early Settlement:
 - a. Arrears exceeding 90 days;
 - b. Legal action record;
 - c. Vehicle repossession record;

- d. Restructuring/rescheduling of financing record; or
- e. AKPK record.

5. How can Customer obtain information on the “*Goodwill Discount*”?

- Customers may obtain information on the “*Goodwill Discount*” procedure through the following channels:
 - Contact Bank Rakyat Call Centre at 1300 80 5454;
 - Email to telerakyat@bankrakyat.com.my;
 - Visit Branch / Auto Financing Centre (AFC) or Recovery Centre (RC);
 - Bank Rakyat’s official social media platforms; or
 - Bank Rakyat’s official website at www.bankrakyat.com.my

6. What is the duration of the Bank’s offer of the “*Goodwill Discount*” for financing using the *Rule of 78* method?

- The Bank will continue to offer the “*Goodwill Discount*” to eligible customers until all *Rule of 78* financing accounts reach full maturity or are settled early.

7. What details must be submitted if the Customer qualifies for the “*Goodwill Discount*” ?

- Customers must provide their Current-i/Savings-i Account number and latest phone number for the purpose of granting the “*Goodwill Discount*” if eligible.

8. Which Bank products are eligible for the “*Goodwill Discount*”?

- Bank products using the *Rule of 78* method namely:
 - a) Hire Purchase Vehicle Financing-i An-Naqlu 1;
 - b) Vehicle Financing-i An-Naqlu 2.

Note: The above list is non-exhaustive.

9. When does the “*Goodwill Discount*” take effect?

- The “*Goodwill Discount*” will take effect after the HPAA is officially gazetted.

10. How to apply for the “*Goodwill Discount*”?

- Customers are not required to submit any application. The “*Goodwill Discount*” will be automatically granted to eligible customers who make an early settlement.

11. If a customer has settled a Hire Purchase Vehicle Financing-i, Vehicle Financing-i or other fixed-rate financing-i using the *Rule of 78* method before the HPAA was gazetted, are they eligible for the “*Goodwill Discount*”?

- Not eligible. The “*Goodwill Discount*” only applies to Early Settlements made after the HPAA is gazetted.

12. If customer settles Hire Purchase Vehicle Financing-i, vehicle financing-i and other fixed-rate financing-i via online banking, trade-in with a dealer, or through another bank, are they eligible for the “*Goodwill Discount*”?

- Yes, the customer is eligible regardless of the payment channel used.

13. What is the approach for customers who previously applied for a moratorium and choose to make Early Settlement?

- For accounts that have undergone moratorium, the Bank will apply the “*Goodwill Discount*” based on the original financing tenure and Early Settlement timing as if the moratorium had not been granted.

14. Will customers be notified if they are eligible?

- Yes, customers will be informed if they are eligible for the “*Goodwill Discount*.”

15. Is the “*Goodwill Discount*” applicable to new or existing customers?

- The “*Goodwill Discount*” applies to:
 - a. Existing customers with fixed-rate Hire Purchase Vehicle Financing-i, Vehicle Financing-i or other fixed-rate financing-i using the *Rule of 78* method; and
 - b. New customers taking fixed-rate Hire Purchase Vehicle Financing-i, Vehicle Financing-i or other fixed-rate financing-i using the *Rule of 78* method within the transitional period after the HPAA is gazetted.

16. What is the processing time for the “*Goodwill Discount*”?

- Within 10 working days (if the customer has a Current-i/Savings-i account with Bank Rakyat)
- Within 20 working days (if the customer does not have a Current-i/Savings-i account with Bank Rakyat)

Note: ‘/’ = atau/or

CAW: Cawangan/Branches

AFC: Auto Financing Centre

RC: Recovery Centre