

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