

Housing 101



Deciding to buy a home, evaluating my financial status

- Understand your budget to determine your affordability
- Know your credit score
- Understand your repayment capabilities
- Ascertain all your financial commitments e.g. car loan, credit card debt, personal loan etc



Looking for the right home

- Decide whether to explore new developments or existing properties
- Determine the location of your property
- Explore new development projects or existing properties
- Check the developer's track record and if they are approved and operate with a valid license from the Ministry of Housing and Local Government. If you are considering existing properties in the market, do ensure your property agent is a registered Real Estate Negotiator (REN)

Housing 101



Sources of funding

- Determine your sources of funding the 10% deposit
- Check your loan eligibility with a bank
- Decide how you will finance your loan repayment
- Establish whether the loan will be an individual loan or a joint loan
- Determine the tenure of the loan
- Housing loan calculators can be useful to provide guidance
- Shop around for a loan that suits your needs



How to apply for a loan

- Find out the paperwork involved when submitting an application for a loan to a bank
- Declare other legitimate additional income you may have to substantiate repayment capabilities

Housing 101



Other costs involved

Check out other costs involved once the loan is approved. Incidental costs may involve:

- Stamp duties
- Loan agreement fees
- Transfer of Title (for completed properties only)
- Disbursement fees
- Insurance coverage
- Deposits for utilities
- Legal fees (whether self-appointed or assigned by the bank providing the loan)
- Maintenance fees
- Strata fees
- Assessment fees
- Quit rent



Duties of a borrower

- To duly read and understand all terms and conditions of the loan documentation
- To enquire and get clarification on all aspects of the loan to your satisfaction
- To comply with all the terms and conditions of the loan documentation
- To ensure timely repayment of the loan in compliance with the loan documentation

Housing 101



Duties of a financial institution

- To discharge the lender's obligations as described in the loan documentation
- To notify borrowers on any changes made to the terms and conditions, fees charged and other relevant information
- To attend to all queries made by borrower



Knowing your rights as a borrower

- Be treated professionally, courteously and without prejudice
- Be notified on changes to the terms and conditions of your loan
- Access to accurate information on a regular basis on your loan account
- Right to enforce the terms and conditions of the loan documentation in the event of a breach

Housing 101



Rights of a financial institution

- To have comprehensive disclosure of the relevant information on borrower's credit standing
- Right to timely repayment of interest/installments of the loan
- Right to enforce the terms and conditions of the loan documentation in the event of a breach

References:

- www.housingwatch.my
- <https://learn.akpk.org.my/courses/rumahku>
- Our Member Banks