

**FAQ on Deferment/Moratorium of Loan Repayments (As at 08/04/2020)**

No.	Question	Answer
1.	What is a deferment of loan repayment?	<p>It is a temporary deferment of loan repayment obligation (principal and interest) for a limited period of time. During this period, borrowers with loans that meet the conditions do not need to make any repayment, and no late payment charges or penalties will be imposed.</p> <p>Interest will continue to accumulate on loan repayments that are deferred, and borrowers will need to honour the deferred repayments in the future. The loan repayment shall resume immediately after the expiry of the deferment period.</p>
2.	What is the objective of the loan repayment deferment?	<p>Its aim is to provide some financial relief to individuals and businesses who face temporary constraints from the COVID-19 pandemic. This will help individuals and businesses facing financial adversities to cope with challenges during this period. Loan repayments shall resume immediately after the expiry of the deferment period.</p>
3.	Am I eligible?	<p>Borrowers are automatically eligible if their loan is:</p> <ul style="list-style-type: none">• not more than 90 days in arrears as at 1 April 2020; and• denominated in Malaysian Ringgit
4.	How long is the duration of the deferment period?	<p>The deferment is up to a maximum of 6 months starting from 1 April 2020 to 30 September 2020.</p>
5.	If I opt for the deferment, will my CCRIS record be adversely affected?	<p>No, it will not affect your CCRIS record. However, interest will continue to accumulate on loan repayments that are deferred, and borrowers will need to honour the deferred repayments in the future.</p>
6.	Do I need to apply?	<p>No. This is an automatic deferment and is applicable to all loan accounts that meet the criteria as mentioned in item (3).</p>

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7.	My loan is in default, can I qualify?	Loan accounts that are already more than 90 days in arrears as at 1 April 2020 will not qualify for the deferment.
8.	What if I am eligible for the deferment program and I have a direct debit with AIA? Do I have to write in to stop the deductions?	<p>During the deferment period, for the ease of our borrowers, there would automatically be <u>no</u> deduction made through direct debit with AIA</p> <p>The direct debit will resume after the expiry of the deferment period on 1 October 2020.</p> <p>(Note: A direct debit is an authorisation from borrowers <u>to AIA</u> to collect repayments directly from their Maybank/Public bank account)</p>
9.	What if I am an AIA agent and am eligible for the deferment program? Do I have to write in to stop the deductions from my agent's income statement?	In order to ease the process, there will automatically be no repayments deducted from the agents' income statement during the deferment period.
10.	What if I am eligible for the deferment program but I would like to opt out and continue with my repayment. Do I have to write in and how do I make my payments?	<p>Borrowers just need to continue to make timely and full repayment of their loans online. No notification to the Mortgage Department is required. These payments will be considered as advance payments during the deferment period which will reduce the outstanding loan amount.</p> <p>Direct debit /agents' deductions will not continue during the deferment period. Borrowers/agents who would like to continue to make payments may do so via online e-payment or other modes of payment as attached. There is no need for borrowers to write in as they can just make payment as normal.</p>
11.	What if I am eligible for deferment program but I have arrears before 1 April 2020, will the direct debit or deduction from agents' income statement continue?	<p>Yes, the direct debit / deduction from agents' income will continue but only to deduct the arrears that has been accumulated before 1 April 2020.</p> <p>The deduction will stop once the accumulated arrears before 1 April 2020 has been settled during the deferment period.</p>

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12.	What if I have Standing Instruction (SI) from my bank?	<p>A standing instruction (SI) is an instruction that borrowers give to their own respective banks to pay AIA a fixed amount at regular intervals.</p> <p>Therefore, borrowers' SI will continue unless it is stopped at their respective banks. During the deferment period, the borrowers need to stop the SI themselves for 6 months and liaise with their respective banks to resume after the deferment period expires.</p> <p>AIA can only control the direct debit that has been signed up with AIA.</p>																																																	
13.	Will I be charged additional interest on the repayment amount that is deferred by 6 months during the period?	<p>Interest will continue to be charged and compounded as normal on the outstanding balance during the deferment period.</p> <p>However, there will be no penalty interest imposed due to non-payment of the monthly instalment during the deferment period.</p>																																																	
14.	Does AIA compound the interest during the deferment period?	<p>Yes, interest will be compounded during the deferment period.</p> <p>The difference between compounding and non-compounding interest is minimal. Example, a RM100K loan at 4.99% p.a. over a total 6 months is only around RM26 ((b) minus (a)).</p> <table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Non Compounding Interest</th> <th colspan="2">Compounding Interest</th> </tr> <tr> <th>Interest (RM)</th> <th>Month End Balance (RM)</th> <th>Interest (RM)</th> <th>Month End Balance (RM)</th> </tr> </thead> <tbody> <tr> <td>Mar</td> <td></td> <td>100,000.00</td> <td></td> <td>100,000.00</td> </tr> <tr> <td>Apr</td> <td>409.02</td> <td>100,409.02</td> <td>409.02</td> <td>100,409.02</td> </tr> <tr> <td>May</td> <td>422.65</td> <td>100,831.67</td> <td>424.38</td> <td>100,833.40</td> </tr> <tr> <td>June</td> <td>409.02</td> <td>101,240.68</td> <td>412.43</td> <td>101,245.82</td> </tr> <tr> <td>Jul</td> <td>422.65</td> <td>101,663.33</td> <td>427.92</td> <td>101,673.74</td> </tr> <tr> <td>Aug</td> <td>422.65</td> <td>102,085.98</td> <td>429.72</td> <td>102,103.46</td> </tr> <tr> <td>Sept</td> <td>409.02</td> <td>102,495.00</td> <td>417.62</td> <td>102,521.08</td> </tr> <tr> <td>Total</td> <td>2,495.00</td> <td>(a)</td> <td>2,521.08</td> <td>(b)</td> </tr> </tbody> </table> <p>The above illustration is based on the following assumptions:</p> <ul style="list-style-type: none"> • Basis for year of computation is 366 days a year. • No transactions during the deferment period. 	Month	Non Compounding Interest		Compounding Interest		Interest (RM)	Month End Balance (RM)	Interest (RM)	Month End Balance (RM)	Mar		100,000.00		100,000.00	Apr	409.02	100,409.02	409.02	100,409.02	May	422.65	100,831.67	424.38	100,833.40	June	409.02	101,240.68	412.43	101,245.82	Jul	422.65	101,663.33	427.92	101,673.74	Aug	422.65	102,085.98	429.72	102,103.46	Sept	409.02	102,495.00	417.62	102,521.08	Total	2,495.00	(a)	2,521.08	(b)
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15.	Would my loans with other non-bank credit providers such as AIA Bhd. qualify for this deferment package?	Although this is only applicable to loans or financing offered by financial institutions, namely banks, AIA Bhd. will provide the same deferment package to assist our borrowers with the same financial relief. This is to help our borrowers to overcome financial difficulties during this challenging period.
16.	<p>What would happen to my loan/financing repayments after the deferment period?</p> <p>What are my repayment options after the deferment period?</p>	<p>Interest will continue to accumulate on loan repayments that are deferred. This means that the accumulated repayment amount during the deferment of repayment period will be added to the outstanding loan amount.</p> <p>Borrowers have the following options to resume repayments after the deferment period of 6-months:</p> <p>a) To continue to pay the same instalment. The loan tenure will be extended accordingly; OR</p> <p>b) Settle all the instalments and interest accumulated at the end of the deferment period.</p> <p>Option (a) will apply automatically after the deferment period of 6 months.</p> <p>If option (b) is preferred, borrower(s) can just deposit the accumulated instalments and interest into the loan account without any notification.</p>
17.	How much is my total interests charged by the end of the deferment period?	Borrowers can view their total interest charged via their online loan statement/e-statement at MY AIA portal. If the borrower has yet to sign up for MY AIA, please refer to item (19) below for MY AIA registration steps.
18.	Does this deferment package apply to newly approved/ disbursed loans?	It applies to all loans outstanding as at 1 April 2020 and newly disbursed loans during the deferment period. However, all deferment will end on 30 September 2020.

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19.	<p>How do I know what is my outstanding loan amount?</p> <p>How do I get my loan statement?</p>	<p>Loan statements have been converted to e-statements. You can view your monthly/half yearly/annual statements via MY AIA portal.</p> <p>For registration in MY AIA, please follow the steps below:</p> <ol style="list-style-type: none"> 1) Log in to www.aia.com.my or http://www.aia.com.my 2) Go to My AIA and select Customer -> Login 3) Click "Register Now" 4) Complete the information required for "Register for MY AIA" <p>Notes:</p> <ul style="list-style-type: none"> • Only the main borrower (first borrower's name stated in the Letter of Offer for joint borrowers) can view and print the loan statements from MY AIA account. • To view and transact those insurance policies that have been assigned to AIA for purposes of loan, please login to www.aia.net.my/MyService/ The user ID and password are the same as your My AIA account. <p>If you encounter any problem to log in, please forward the screen shot of the error message to my.loan@aia.com for our investigation.</p>