

Frequently Asked Questions for Skim Saraan Bercagar Bertempoh (SSBT)

This FAQ gives you a quick overview of the Cagamas Skim Saraan Bercagar Bertempoh (SSBT). If you have any questions or need more details, feel free to reach out to our Partner Bank Representative.

| A. General | |
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| 1. | What is a Skim Saraan Bercagar Bertempoh? |
| | Skim Saraan Bercagar Bertempoh (SSBT) is a loan or financing solution specifically designed for the elderly or retirees who own more than one residential property. It allows them to convert an unencumbered, non-primary residential property into a fixed monthly payout over an agreed facility term, without sacrificing ownership of the property. The property charged must be free from any encumbrances, caveat or hibah. |
| 2. | What makes SSBT different from a traditional reverse mortgage? |
| | SSBT provides the customer with fixed monthly payout over a predetermined term. At the end of the term, the customer is required to settle the loan or financing. In contrast, traditional reverse mortgage typically does not have a fixed maturity date where repayment is usually triggered only when the customer passes away or permanently vacates the property. SSBT serves as an alternative financing option with term for the elderly or retirees in meeting their temporary financial needs; while traditional reverse mortgage provides a lifetime source of income for the elderly or retirees to cover living expenses, healthcare costs, or other long term financial needs. |
| B. Eligibility – Applicant & Property | |
| 3. | Who is eligible to apply for SSBT? |
| | <ol style="list-style-type: none"> Malaysians aged between 60 to 70 years old (for individual applicant) For joint applications, at least one applicant must be between 60 and 70 years old and both applicants must not exceed 70 years. A joint applicant can be your spouse, parent, sibling, or child. You must be the owner or joint owner of the residential property Each applicant may submit only one (1) application. |
| 4. | What types of property are accepted for SSBT? |
| | <ol style="list-style-type: none"> Residential property registered under the applicant's name (joint ownership allowed for joint applications). Property must be unencumbered, not the subject of caveat or hibah. Non-primary residences are eligible. Property must have fire or home insurance/takaful coverage. Only one (1) property is allowed per application at any given time. Not located at high-risk areas (e.g. flood or landslide prone areas). |
| 5. | What is a non-primary residence? |
| | A non-primary residence refers to any additional residential property owned by you and/or your joint applicant that is not the main home where you and/or your joint applicant currently live. |
| 6. | Which property locations are eligible? |
| | Currently we accept properties located in the Klang Valley (including Putrajaya) |
| 7. | Are both landed and non-landed properties accepted for SSBT? |
| | Yes, both landed and non-landed properties are accepted. |
| 8. | Is there a maximum property value limit? |
| | There is no limit on the property value. However, the payout is calculated based on a maximum property value of RM3.0 million for landed properties and RM1.5 million for high-rise properties. |

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| 9. | Are freehold and leasehold properties eligible? |
| | Yes, both freehold and leasehold properties are eligible. For leasehold properties, the remaining lease period must be at least 60 years at the end of the loan term. |
| 10. | Can I pledge my property if I have yet to fully settle the mortgage loan? |
| | No, we only accept properties that are fully paid off, unencumbered, and mortgage-free . Additionally, the property must be free from any encumbrance , not the subject of caveat or hibah. |
| 11. | Do I need to insure my property? |
| | Yes, your property must be covered by fire or home insurance . The initial insurance premium can be included in the loan amount. For subsequent renewals arranged by Cagamas, the premium may be deducted from the monthly disbursement , subject to your consent. |
| 12. | Are properties located in or near flood, landslide, or other natural disaster-prone areas accepted? |
| | Properties located in areas prone to floods, landslides, or other natural disasters are considered high-risk and are not eligible under SSBT. The final determination of your property's eligibility is based on the valuation report provided by our panel property valuer . |

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| C. Facility Features & Terms | |
| 13. | How long is the SSBT loan term? |
| | The SSBT loan term is available in either 5 years or 10 years, depending on your preference and eligibility. |
| 14. | How much will I get from SSBT? |
| | The total payout depends on several factors, including your property's value, location, type (e.g., detached, semi-detached), and the loan tenure . To get an estimated payout amount, please contact a representative from our partner bank . |
| 15. | Can I get one-time lump sum payout at inception? |
| | No. SSBT does not offer a full lump sum payout at the start. Instead, you can opt to have either monthly payouts or a combination of a partial lump sum and monthly payouts. This structure is designed to ensure stable cash flow throughout the loan period. |
| 16. | Is the monthly payout fixed for each month? |
| | Yes, the monthly payout is fixed and remains the same throughout the loan term. |
| 17. | Is the monthly payout including partial initial lump-sum payout subject to interest charge? |
| | Yes, both the monthly payout and any partial initial lump-sum payout (if applicable) are subject to interest charge . |
| 18. | What is the interest rate? |
| | The interest rate depends on your property's location, type, and loan tenure . The rate is fixed throughout the loan period. To obtain an indicative fixed interest rate , please contact a representative from our partner bank . |
| 19. | Is the interest fixed and how is it calculated? |
| | Yes, the interest rate is fixed per annum and is calculated based on monthly rest . This means the interest is computed based on the outstanding loan balance each month. |
| 20. | Are there any other fees to be paid? |
| | Yes, you will need to pay a property valuation fee , and if you decide to proceed with the application, a legal fee for loan documentation. However, these fees can be included in the loan amount , subject to approval. |
| 21. | Do I need to pay any repayment? |
| | No, repayments are not required during the loan tenure. You are only required to settle the loan in a single bullet payment at the end of the loan term (maturity date). |

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| 22. | Can I repay the loan early before it reaches maturity? |
| | Yes, early repayment is allowed, subject to a one (1) month prior written notice . Please note that a penalty charge may apply if the settlement is made within the lock-in period . |
| 23. | What is the lock-in-period and penalty charge? |
| | The lock-in-period depends on your loan tenure: <ul style="list-style-type: none"> • 5-year loan tenure : 2-year lock in period • 10-year loan tenure : 4-year lock in period If early settlement is made within the lock-in period , a penalty charge of 1% will be applied based on the agreed loan amount . |
| 24. | What happens to the monthly payout if one of the joint applicants passes away? |
| | In the event of the passing of one joint applicant, the surviving applicant will continue to receive the monthly payout . Full details of the process and terms will be outlined in the Letter of Offer . |
| 25. | What happens if I, or both my joint applicant and I pass away during the loan tenure? |
| | <ol style="list-style-type: none"> Upon receiving confirmation of your passing or the passing of the surviving applicant in a joint application, the monthly payout will be stopped immediately. Cagamas based on best effort basis will contact your next-of-kin to provide an option for them to redeem the property by fully settling the outstanding loan amount. If your next-of-kin chooses not to redeem the property or if Cagamas unable to contact any of them, we will proceed with the foreclosure process. The sale proceeds will be used to repay the outstanding loan. <ul style="list-style-type: none"> - If there is a surplus, it will be returned to your next-of-kin. - If the proceeds are insufficient, we will absorb the loss, and your next-of-kin will not be held responsible for the remaining loan amount. <p>Please note: If the property is sold via auction, it may sell for less than the market value, and there may not be any remaining balance after repaying the total outstanding loan.</p> |
| 26. | What happens if I cannot fully repay the loan at the end of the term? |
| | <p>If the loan is not fully repaid at the end of the term, it will trigger an event of default, and Cagamas may initiate foreclosure of the property. This means you could lose ownership of the property.</p> <p>However, family members or friends may help you retain the property by settling the outstanding loan amount, either through refinancing or other sources of funds.</p> <p>If no one is able to take over the loan, we will proceed with the foreclosure process.</p> <ul style="list-style-type: none"> • Any surplus from the property sale will be returned to you. • If the sale proceeds are insufficient to cover the outstanding loan, Cagamas will absorb the loss, and you will not be held responsible for the remaining balance. <p>Please note: If the property is sold via auction, it may sell for less than the market value, and there may not be any remaining balance after repaying the total outstanding loan.</p> |
| 27. | What if I plan to stay in the property pledged for SSBT and make it my primary residence during the loan tenure? |
| | <p>If you plan to move into the pledged property during the loan tenure, please inform us, as it will then be considered your primary residence.</p> <p>Please note that if the loan is not fully settled by the end of the term, there is a risk of losing the home you're living in, as foreclosure may be initiated to recover the outstanding loan amount.</p> |

| D. Application | |
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| 28. | What should I consider before applying for SSBT? |
| | <p>Before applying for the SSBT, it is important to carefully evaluate the following:</p> <ol style="list-style-type: none"> a. Financial goals Does SSBT align with your retirement plans and long-term financial objectives? b. Settlement requirement How do you plan to fully settle the loan at maturity? c. House ownership Are you prepared to lose ownership of the property if you're unable to repay the total outstanding loan amount at the end of the term? d. Costs involved Understand all fees and charges, and the impact of a growing loan balance over time. e. Alternatives Have you explored other options such as downsizing, home equity loans, or lines of credit? f. Family discussion It is advisable to discuss this decision with family members and your beneficiaries to ensure everyone is informed and aligned as this may affect their inheritance. g. Independent advice Seek guidance from a qualified or independent financial advisor to assess whether SSBT is suitable for you. h. Product risks Make sure you are fully aware of the risks and obligations associated with SSBT. You can contact our partner bank representatives for further information and to schedule an advisory session to help you make an informed decision. |
| 29. | Where can I submit my application? |
| | <p>You may submit your application at selected branches/sales hubs of our Partner Bank. Before applying, please ensure that you have:</p> <ul style="list-style-type: none"> • Read through this FAQ and the Product Disclosure Sheet (PDS) for the SSBT product. • Obtained the application form and document checklist from a Partner Bank Representative, who will guide you through the process. |
| 30. | What documents do I need to submit with my application? |
| | <p>You will need to provide identification documents, copy of the land title/strata title/ Sale & Purchase Agreement/ Deed of Assignment (where applicable), and other relevant document together with the Application Form. Our Partner Bank Representative will assist on this matter.</p> |
| 31. | What happens after I submit my application to the Partner Bank Representative? |
| | <p>Once you submit your application, the Partner Bank Representative will forward it to us for preliminary evaluation and processing. After we complete the internal property valuation, we will inform you the following details for your review and decision:</p> <ul style="list-style-type: none"> • Estimated property value • Estimated partial lump-sum amount (if applicable) • Estimated monthly payout • Other relevant information <p>Please ensure you provide a valid and reachable contact number and email address so that we can communicate with you effectively.</p> <p>You can expect a Cagamas staff member to contact you within two (2) weeks after your application submission.</p> |
| 32. | Can I update or correct my application after submission? |
| | <p>Yes, you can contact us to request updates or corrections. Please do so as soon as possible to avoid delays.</p> |

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| 33. | Who can I contact if I have questions during the process? |
| | You can contact Cagamas via phone at 03-2262 1800 or email us at opesbt@cagamas.com.my . |
| 34. | Will I be notified if additional documents are required? |
| | Yes, our Partner Bank Representative will contact you directly if we require any further documentation or clarification related to your application. |
| 35. | What will happen after I confirm and agree to the amount and details via email? |
| | Once you confirm and agree to the proposed amount and details via email, a Cagamas representative will contact you by phone to: <ul style="list-style-type: none"> • Reaffirm your decision • Ensure that you have made an informed choice • Confirm that you understand the risks and obligations associated with the SSBT product It is important to provide a valid and reachable phone number so we can contact you promptly. |
| 36. | What will happen next? |
| | Once we have confirmed your decision via phone call , the Cagamas team will proceed with the following steps: <ol style="list-style-type: none"> Property Valuation We will instruct our panel property valuer to conduct a physical valuation of your property. The valuer will contact you directly to schedule a site visit. Application Processing After the site visit and upon receiving the valuation report, our team will begin processing your application for approval. Offer Signing Once your application is approved, we will contact you to arrange for the signing of the Letter of Offer. |
| 37. | What is the next step after signing of the Letter of Offer? |
| | After you sign the Letter of Offer , you will proceed to complete the legal documentation . This process will be handled by Cagamas panel lawyer , who will contact you and/or your joint applicant to arrange the necessary steps. Once all legal paperwork is completed: <ul style="list-style-type: none"> • Cagamas will disburse the partial lump-sum payment (if applicable) and/or your first monthly payout to your designated savings or current account. <p>Important Reminder: Please ensure that any fees and charges agreed to be borne by you are settled upon signing the Letter of Offer to avoid delays in the payout process.</p> |
| 38. | How can I check my application status or have questions after applying? |
| | You can contact Cagamas by phone at 03-22621800 for any inquiries or updates regarding your application. We are pleased to be of assistance. Friendly Disclaimer: Once we receive your application, the review process typically takes between three to six months. Please note that the timeline may vary depending on the complexity of the legal documentation and procedures involved. Rest assured, we will provide guidance and support throughout each stage to ensure a smooth and efficient experience. |
| 39. | What if my application is rejected? |
| | If your application is unsuccessful, we will notify you accordingly and, where possible, provide guidance on the next potential steps or alternative options. |
| 40. | Can I reapply if my application is rejected? |
| | You are welcome to reapply once the issues that led to the initial rejection have been addressed. We will be pleased to guide you through the process again and provide any |

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| | necessary support along the way. |
| 41. | Is there a way to fast-track my application? |
| | To ensure fairness, all applications follow the same review timeline to ensure fairness. Nonetheless, we remain committed to processing your application as efficiently as possible. |

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| E. Communication & Support | |
| 42. | Who can I contact if I have concern or complaint? |
| | You can reach Cagamas via phone at 03-22621800 or email us at feedback@cagamas.com.my . We remain at your service area and are pleased to assist with any inquiries you may have. |