

Amendments to Certified Credit Professional Qualifications (CCP) Study Materials

Consumer Credit

No	Description/Existing Contents	Amended Contents
1	<p>Chapter 6, Page 6-5 Item 2.3.6, 3rd and 4th paragraph</p> <p>To replace “non-bumiputra” with “non-Malay” and “bumiputra” with “Malay”.</p>	<p>If the land is under Malay reserved status, but existing ownership is under a non-Malay, it can still be transacted among the non-Malay. But once it is sold to a Malay, it becomes Malay reserved land and a non-Malay will not be able to transact it.</p>
2	<p>Chapter 6, Page 6-17 Item 2.12 (a) 6, 2nd last bullet point.</p> <p>To delete part of the 2nd last bullet point, “...duly... whatsoever.”</p>	<ul style="list-style-type: none"> • letter of undertaking cum redemption from the vendor’s FI to forward the original SPA. ; duly executed R&R with all other relevant security documents upon receipt of redemption sum and to refund in the event the R&R cannot be perfected for any reason whatsoever.
3	<p>Chapter 7, Page 7-3 Item 2.1 (a) (ii), 2nd paragraph</p> <p>To replace “... to be stamped at the respective land office...” with “to be stamped at the stamping office...”</p>	<p>The documents are to be stamped at the stamping office as per the adjudicated amount determined by the land office.</p>
4	<p>Chapter 7, Page 7-4 Item 2.1 (a) (iii)</p> <p>To delete the word “charge” after “...(LACA).”</p>	<p>(iii) Loan Agreement Cum Assignment (LACA). Charge (This document is taken when the property has not been issued with a title deed.)</p>
5	<p>Chapter 7, Page 7-4 Item 2.1 (a) (iii), 1st bullet point</p> <p>To replace “... to be stamped ad valorem at the respective land office...” with “to be stamped at the stamping office...”</p>	<ul style="list-style-type: none"> • The documents are to be stamped at the stamping office.
6	<p>Chapter 7, Page 7-4 Item 2.1 (a) (v)</p> <p>To add “(only for the situation where the title has been issued and where owner of property is also the borrower)” to header.</p>	<p>(v) Lien holder’s caveat (only for the situation where the title has been issued and where owner of property is also the borrower)</p>

No	Description/Existing Contents	Amended Contents
7	<p>Chapter 7, Page 7-6 Item 2.1 (e) (i), 3rd bullet point</p> <p>To replace “October 10, 1995” with “June 1, 2001” and “RM200,000” with “RM250,000”.</p>	<p>Pre-signing requirements as per BNM guidelines (effective June 1, 2001) for guarantees not exceeding RM250,000.</p>
8	<p>Chapter 8, Page 8-8 Item 3.1</p> <p>(a) To delete the header “3.1 Strengthening of securities”. Contents to remain as the 4th paragraph of item 3.</p> <p>(b) To also change the subsequent numbering from 3.2 to 3.1 and 3.3 to 3.2 and 3.4 to 3.3</p>	<p>3. Rescheduling of Loans</p> <p>As a result of monitoring and reviews of the account, there can be a need for changes in the structure of facilities. Overspending or the borrower’s increased consumption needs could be the cause of frequent excesses. On ascertaining the real reason(s), an increase in the facilities can be considered.</p> <p>Changes in the interest rates can cause higher repayment of instalments. This may place a burden on the borrower. Restructuring or rescheduling the loans will assist the borrower in easing this burden</p> <p>Overdue instalments and interest payments can be rescheduled with part-payments being made simultaneously on payment of current instalments falling due.</p> <p>The value of securities held by the lender may deteriorate during the tenor of the loan. The lender has to update the securities by requesting for additional securities or increase the documentation value.</p> <p>3.1 Land 3.2 Shares / unit trusts 3.3 Fixed deposits</p>

Amendments to CCP (CC)

No	Description/Existing Contents	Amended Contents
9	<p>Chapter 9, Page 9-9 Item 3.6, 5th paragraph</p> <p>To change "...the National Land Code does not govern it but the same procedures are generally followed." to "...the terms under LACA will apply."</p>	<p>For properties under assignment, the terms under LACA will apply.</p>
10	<p>Chapter 9, Page 9-11 Item 3.6.2 (9), 1st sentence</p> <p>To replace "120 days" to "90 days".</p>	<p>Upon a successful auction, the bidder is given 90 days to pay the balance of the purchase price to the bank.</p>
11	<p>Chapter 9, Page 9-13 Item 3.6.3</p> <p>(a) Item 3.6.3 (1), 2nd sentence To change "...Land Office will issue a summons whereby a hearing date is stated..." to "...Land Administrator will fix a date..."</p> <p>(b) Item 3.6.3 (2) To delete the sentence</p> <p>(c) Item 3.6.3 (3), (4) and (5) To change the numbering from (3) to (2), (4) to (3) and (5) to (4).</p>	<p>Upon receipt of this application, the Land Administrator will fix a date for the inquiry.</p> <p>(2) The land office serves the summons on the chargor.</p> <p>(2) At the inquiry, the representative from the Land Office is required to give the balance amount outstanding to the Land Administrator.</p> <p>(3) At the inquiry, the Land Administrator will grant the order for sale in Form 16H.</p> <p>(4) In the event of no bid being received, the Land Administrator can put up for auction on a subsequent date at the same or new reserve price. Alternatively, he may withdraw it from the sale and refer the matter to the court.</p>

No	Description/Existing Contents	Amended Contents
	<p>(d) Item 3.6.3 (4) [previously (5) – refer to no (c) above] To delete 2nd sentence, “Alternatively, he may withdraw it from the sale and refer the matter to the court.” and replace with “Alternatively, reference can be made to the High Court after 2 unsuccessful auctions.”</p>	<p>(4) In the event of no bid being received, the Land Administrator can put up for auction on a subsequent date at the same or new reserve price. Alternatively, reference can be made to the High Court after 2 unsuccessful auctions.</p>
12	<p>Chapter 9, Page 9-14 Figure 9.4</p> <p>(a) To delete 3rd, 4th and 5th box (from top). (“The Land Office...summons”, “Land Office...chargor” and “Declaration...Office”).</p> <p>(b) 2nd box (from bottom left) under “Action successful” To change “120 days” to “90 days” (refer to no. 11 above).</p> <p>(c) 1st box (from bottom right) under “Action not successful” To add “after 2 unsuccessful auctions” after “Withdraw and refer to court”.</p>	<pre> graph TD A[The Land Office issues summons] --> B[Land Office serves summons on the chargor] B --> C[Declaration filed at Land Office] C --> D[Full settlement to be paid within 90 days to the FI] D --> E[Withdraw and refer to court after 2 unsuccessful auctions] </pre>
13	<p>Chapter 9, Page 9-16 Item 3.7.2</p> <p>To change the header.</p>	<p>3.7.2 Leasing (Laws of the Contracts Act, 1950 apply)</p>
14	<p>Chapter 9, Page 9-16 Item 3.7.1 (1)</p> <p>To change from “When two instalments...” to “When any two successive instalments...” to sentence.</p> <p>To also add a 2nd sentence, “When the hirer is deceased, an owner shall not exercise any power of taking possession of goods comprised in a hire-purchase</p>	<p>(1) When any two successive instalments are overdue Schedule 4 (Notice of intent to repossess) is sent by the owner (FI) giving the hirer 21 days to settle the default. When the hirer is deceased, an owner shall not exercise any power of taking possession of goods comprised in a hire-purchase agreement arising out of any breach of the agreement</p>

No	Description/Existing Contents	Amended Contents
	<p>agreement arising out of any breach of the agreement relating to the payment of instalments unless there has been four successive defaults of payment.”</p>	<p>relating to the payment of instalments unless there has been four successive defaults of payment.</p>
15	<p>Chapter 9, Page 9-22 Item 3.7.8 (6) to (9)</p> <p>To delete (6) to (9)</p>	<p>(6) Judgment Debtors Summons.</p> <p>(7) This is applicable when the defendant has a steady and uninterrupted income.</p> <p>(8) This is issued against the defendant to appear in court to determine his capacity to pay. The borrower’s capacity to pay will be examined by the FI’s solicitors.</p> <p>(9) On evaluating the evidence, the court will decide on the amount to be paid towards the debt.</p>
16	<p>Chapter 9, Page 9-24 Figure 9.9</p> <p>To change from “Claim below RM30,000” to “Claim of any amount”.</p>	<p style="text-align: center;">↓ Claim of any amount ↓</p>
17	<p>Chapter 10, Page 10-8 Item 7 (e) (2), 1st paragraph</p> <p>Delete the word “full” in the first sentence. Add second sentence, “The settlement will be based on terms of the insurance.”</p>	<p>This type of policy provides for settlement of the outstanding balance of the housing loan with the financial institution, in the event of total permanent disability or death of the borrower. The settlement will be based on terms of the insurance.</p>
18	<p>Chapter 11, Page 11-6 Item 1.4 (ii)</p> <p>Duplicate numbering of (ii). To change accordingly to (iii) and (iv)</p>	<p>(iii) Margin financing (iv) Facilities against shares</p>
19	<p>Chapter 11, Page 11-8 Item 1.11, 1st sentence</p> <p>To replace the words “falls below” with “rises above”.</p>	<p>When the loan ratio (calculations are based on market value) rises above the permitted margin, the account is subject to a margin call.</p>
20	<p>Chapter 11, Page 11-13 Item 2.10, 2nd paragraph, 2nd bullet point</p> <p>To replace “loan repayment” with “interest payment”.</p>	<ul style="list-style-type: none"> • The servicing of interest payment;

Amendments to CCP (CC)

No	Description/Existing Contents	Amended Contents
21	Chapter 11, Page 11-14 Item 2.13, 1st sentence To replace “falls below” with “ rises above ”.	When the loan ratio (calculations are based on market value) rises above the permitted margin of 67%, the account is subject to a margin call.
22	Chapter 13, Page 13-2 Item 1, 3rd paragraph, Last sentence To replace “than” with “ then ”.	The owner then hires the goods to the hirer under a hire-purchase agreement.
23	Chapter 13, Page 13-2 Figure 13.1 To add “... deposit ” to “Hirer pays...”, “... cash price less deposit ” to “Owner pays...” and “... under HP agreement ” to “Hirer pays instalments...” for clarity.	Hirer pays dealer deposit Owner pays dealer cash price less deposit Hirer pays instalments to owner under HP agreement
24	Chapter 13, Page 13-4 Item 1.3.2, 2nd paragraph, 3rd sentence To replace “happens” with “ happen ” and “no” with “ a ”.	This may not happen in cases where there is a registration body, for example the Jabatan Pengangkutan Jalan for motor vehicles.
25	Chapter 13, Page 13-5 Item 1.4.1 To add “ scheduled goods ” and “(refer to Item 1.5.1)” to the first sentence, and “ flat rate ” to the second sentence.	Term charges are not to exceed the rate prescribed by the Act for scheduled goods (refer to Item 1.5.1) . Currently, the rate for term charges in a hire-purchase shall not exceed 10% per annum flat rate .
26	Chapter 13, Page 13-5 Item 1.5, 1st paragraph, 2nd sentence To add “ relating to scheduled goods ”.	It does not set down any licensing requirements but provides for the regulation of hire-purchase activities relating to scheduled goods .
27	Chapter 13, Page 13-11 Item 1.5.5, The formula used in computing the monthly hire-purchase instalments. To replace “=” with “ + ” after P.	$R = P + \frac{(P \times I \times N)}{N \times 12}$
28	Chapter 13, Page 13-12 The formula for APR. To change “2N2F” to “ 2N²F ”.	$APR = \frac{2NF(300C + NF)}{2N^2F + 300C(N + 1)}$
29	Chapter 13, Page 13-13 The formula for computation of overdue	$OI = \frac{I \times R \times D}{365}$

Amendments to CCP (CC)

No	Description/Existing Contents	Amended Contents
	<p>interest.</p> <p>To replace “r” with “R”.</p>	
30	<p>Chapter 13, Page 13-15 2nd paragraph, 2nd sentence</p> <p>To replace “All parties... enter into the hire-purchase agreement” with “The parties related to the hire-purchase agreement...enter into the agreement”.</p>	<p>The parties related to the hire-purchase agreement will then be required to sign and enter into the agreement.</p>
31	<p>Chapter 13, Page 13-17 Item 1.5.9, 1st paragraph, Last sentence</p> <p>To replace “borrower” with “hirer”.</p>	<p>The fee varies from hirer to hirer and from circumstance to circumstance, and is totally beyond control of the hirer.</p>
32	<p>Chapter 13, Page 13-18 Item 1.6, 4th bullet point</p> <p>To add “Past experience of the financier with the dealer where” to the sentence.</p>	<ul style="list-style-type: none"> • Past experience of the financier with the dealer where fictitious accounts and non-existent hirers introduced by dealers as mentioned earlier.
33	<p>Chapter 13, Page 13-20 Item 2.4.1, 4th paragraph</p> <p>To replace “cleared” with “clearly”.</p>	<p>Provisions for early termination and the consequences are clearly laid out in the lease agreement.</p>
34	<p>Chapter 13, Page 13-33 Sample (Lease Agreement), 7th last paragraph</p> <p>To replace “lessor” with “lessee”.</p>	<p>The lessor may recover from the lessee any loss suffered by termination.</p>
35	<p>Chapter 14, Page 14-3 Item 3.1(iii)</p> <p>To delete and replace “The property ownership purchased will be under the bank’s claim and will be handed over to the customer upon full payment.” with “The property ownership will be under the customer’s name.”</p>	<p>(iii) The property ownership will be under the customer’s name.</p>