

**Amendments to Certified Credit Professional Qualifications (CCP)  
Study Materials, 2nd Edition, 2006 (with effect from the September 2006 sitting)**

**Consumer Credit**

No	Description/Existing Contents	Amended Contents
1	<p>Chapter 10, Page 10-33 Item 10.5.4, 3rd last paragraph, last bullet point</p> <p>To replace “SPA Article 24 (2) Schedule H” with “SPA Article <b>28</b> (2) Schedule H”</p>	<ul style="list-style-type: none"> <li>If the developer fails to provide such facilities within the stipulated time, there will be another compensation to the buyer as spelt out in the SPA Article <del>24</del><b>28</b> (2) Schedule H.</li> </ul>
2	<p>Chapter 13, Page 13-14 &amp; 13-15 Item 1.6.6, under subheader, “<b>Add-on or flat rate of interest</b>”. Errors in formula</p> $F = \frac{100 \times 12 \times 19,500}{48 \times 75,000}$ <p><del>F = 6.75</del></p> $APR = \frac{2 \times 48 \times 6.75 [(300 \times 12) + (48 \times 6.75)]}{(2 \times 48 \times 48 \times 6.75) + 300 \times 12 (48 + 1)}$ $APR = \frac{648(3,600 + 324)}{31,104 + 176,400}$ <p><del>APR = 12.25 %</del></p> <p>The APR is the equivalent monthly rest rate quoted on a per annum basis similar to how monthly rest interest rate in a housing loan is quoted. In the above example, the APR of <del>12.68%</del> p.a. is effectively equal to a housing loan being quoted at <del>12.68%</del> p.a. monthly rest on the assumption that the hire-purchase is not prematurely settled. If there was a premature settlement, the actual cost of borrowings differs due to the basis of computation of the interest rebate for the unexpired period.</p>	$F = \frac{100 \times 12 \times 19,500}{48 \times 75,000}$ <p><b>F = 6.5</b></p> $APR = \frac{2 \times 48 \times 6.5 [(300 \times 12) + (48 \times 6.5)]}{(2 \times 48 \times 48 \times 6.5) + 300 \times 12 (48 + 1)}$ $APR = \frac{624(3,600 + 312)}{29,952 + 176,400}$ <p><b>APR = 11.83 %</b></p> <p>The APR is the equivalent monthly rest rate quoted on a per annum basis similar to how monthly rest interest rate in a housing loan is quoted. In the above example, the APR of <b>11.83%</b> p.a. is effectively equal to a housing loan being quoted at <b>11.83%</b> p.a. monthly rest on the assumption that the hire-purchase is not prematurely settled. If there was a premature settlement, the actual cost of borrowings differs due to the basis of computation of the interest rebate for the unexpired period.</p>

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3	<p>Chapter 13, Page 13-20 Item 1.6.6, under subheader, “<b>Statutory Rebate</b>”. Errors in formula</p> <p>Continuing with the same example, assuming the hirer has paid 36 monthly instalments promptly, the redemption sum is determined as follows:</p> <table border="0" style="width: 100%;"> <tr> <td>Total Amount Payable under this HP</td> <td style="text-align: right;">RM95,500.00</td> </tr> <tr> <td><b>Less</b> : Instalments Paid Todate (RM1,968.75 x 36)</td> <td style="text-align: right;"><u>RM70,875.00</u></td> </tr> <tr> <td>Outstanding Balance</td> <td style="text-align: right;">RM23,625.00</td> </tr> <tr> <td>Less : Statutory Rebate <math>\frac{12 (12 + 1)}{48 (48 + 1)} \times \text{RM}19,500</math></td> <td style="text-align: right;"><u>RM 1,293.37</u></td> </tr> <tr> <td><b>Redemption or Early Settlement Sum</b></td> <td style="text-align: right;"><u>RM22,331.63</u></td> </tr> </table>	Total Amount Payable under this HP	RM95,500.00	<b>Less</b> : Instalments Paid Todate (RM1,968.75 x 36)	<u>RM70,875.00</u>	Outstanding Balance	RM23,625.00	Less : Statutory Rebate $\frac{12 (12 + 1)}{48 (48 + 1)} \times \text{RM}19,500$	<u>RM 1,293.37</u>	<b>Redemption or Early Settlement Sum</b>	<u>RM22,331.63</u>	<p>Continuing with the same example, assuming the hirer has paid 36 monthly instalments promptly, the redemption sum is determined as follows:</p> <table border="0" style="width: 100%;"> <tr> <td>Total Amount Payable under this HP</td> <td style="text-align: right;"><b>RM94,500.00</b></td> </tr> <tr> <td><b>Less</b> : Instalments Paid Todate (RM1,968.75 x 36)</td> <td style="text-align: right;"><u>RM70,875.00</u></td> </tr> <tr> <td>Outstanding Balance</td> <td style="text-align: right;">RM23,625.00</td> </tr> <tr> <td>Less : Statutory Rebate <math>\frac{12 (12 + 1)}{48 (48 + 1)} \times \text{RM}19,500</math></td> <td style="text-align: right;"><u>RM 1,293.37</u></td> </tr> <tr> <td><b>Redemption or Early Settlement Sum</b></td> <td style="text-align: right;"><u>RM22,331.63</u></td> </tr> </table>	Total Amount Payable under this HP	<b>RM94,500.00</b>	<b>Less</b> : Instalments Paid Todate (RM1,968.75 x 36)	<u>RM70,875.00</u>	Outstanding Balance	RM23,625.00	Less : Statutory Rebate $\frac{12 (12 + 1)}{48 (48 + 1)} \times \text{RM}19,500$	<u>RM 1,293.37</u>	<b>Redemption or Early Settlement Sum</b>	<u>RM22,331.63</u>
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