

Car Loan FAQs

1. How much can I borrow?

The loan amount is dependent on the Open Market Valuation (OMV) of the financing vehicle :

OMV	% of Financing
Where open market value is less than or equal to S\$20,000:	Maximum 70% of purchase price less amount of discount, rebate or any other benefits offered.
Where open market value is more than S\$20,000:	Maximum 60% of purchase price less amount of discount, rebate or any other benefits offered.

2. How do I calculate my monthly hire purchase instalments using flat rate of interest?

Multiply the principal amount of finance by the interest rate and the tenure of finance to determine the interest payable. Add this figure to the principal amount to determine the total amount payable.

Divide the total amount payable by the tenure of finance (number of months) to determine your monthly instalments.

3. Does Maybank allow for partial redemption?

No, partial redemption is not allowed. However, you may opt for early settlement whereby **interest rebate** is calculated using the following formula :

$$\frac{n(n+1)}{N(N+1)} \times \text{Term Charges} \quad (\text{i.e. total interest amount payable})$$

Where “*n*” represents the unexpired period of hiring (expressed in months); and “*N*” represents the original tenure of finance (expressed in months).

But the following conditions shall apply :

- i. In the event of early settlement, a charge of 20% of the total term charges payable under the HP Agreement, pro-rated for the unexpired hiring period (calculated in months).
- ii. In addition, a prepayment fee of 1% of the original loan amount will be levied.
- iii. The Hirer is also required to serve a 30-day notice in advance of the settlement date. Otherwise, interest in lieu of notice will be levied.

Note: If the loan is being assigned to another financial institution, the same charges stated above shall apply.

4. How will I know whether my Hire Purchase application will be classified under the Hire Purchase Act?

If the purchase price (less COE) of your car **does not exceed** \$55,000 it will be classified under the Hire Purchase Act.

Where the purchase price (less COE) of your car **exceeds** \$55,000 it will be subject to Common Law and will **not** be classified under the Hire Purchase Act.