

## Frequently Asked Questions – Goodwill Discounts

Question	Answer
<p>How does the Hire Purchase (Amendment) Act 2026 (“HPAA”) affect existing customers with fixed rate hire-purchase agreements under Rule of 78?</p>	<p>Customers who continue to pay their monthly instalments until the end of the financing tenure will not be affected.</p> <p>For existing eligible customers who make early settlement of their fixed rate hire-purchase financing, we offer a goodwill discount on their net balance due.</p>
<p>Whats is Rule 78?</p>	<p>Rule of 78 is a calculation method recognized under the Hire Purchase Act where profit costs are weighted heavily toward the start of the financing schedule. Consequently, because the majority of profit is collected upfront, customers will receive a reduced statutory rebate in the event of early settlement.</p>
<p>What is goodwill discount?</p>	<p>The goodwill discount is an industry-wide measure designed to provide affected customers with treatment comparable to that of new customers under the HPAA when they choose to settle their hire-purchase financing early.</p> <p>The goodwill discount will be provided to eligible hire-purchase customers who opt for early settlement.</p>
<p>Who is qualified for goodwill discount?</p>	<p>Individuals and micro or small businesses with fixed-rate hire- purchase agreements and/or which apply the Rule of 78 method:</p> <ul style="list-style-type: none"> <li>• entered into before the HPAA takes effect; or</li> <li>• entered into during the 18-month grace period allowed under the amended Act; and</li> <li>• who choose to settle their hire-purchase financing early i.e. any time before financing maturity.</li> </ul>
<p>Is the goodwill discount available to all existing eligible customers with fixed rate hire- purchase agreements who make early settlement of their financing?</p>	<p>No. Customers with hire-purchase accounts that fall under the following scenarios are not eligible for the goodwill discount:</p> <ol style="list-style-type: none"> <li>i. In arrears exceeding 90 days at the point of the early settlement;</li> <li>ii. Undergoing legal proceedings, or have been issued with a repossession order;</li> <li>iii. Under an existing restructuring and rescheduling (R&amp;R); and/or</li> <li>iv. Enrolled in a debt management programme.</li> </ol>

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Are Islamic hire-purchase agreements included?	Yes, provided they apply the Rule of 78 for computation of terms charges.
When is the implementation date of the goodwill discount?	The goodwill discount will come into effect on the same date as the effective date of the HPAA, which is on 1 June 2026.
Can you share the goodwill discount calculation?	The exact calculation and amount of goodwill discount will be explained to the customer at the point of application for early settlement.
What if I decide to maintain my current payment schedule?	If you choose to adhere to your original payment schedule until the end of the tenure, you will not be affected by this change. You may continue paying your existing installment amounts as normal, and no further action is required on your part.
I am a new customer. Am I at a disadvantage if I sign the hire- purchase agreement today? Should I wait until the reducing balance method effectively replaces the Rule of 78?	The goodwill discount is designed to alleviate the impact of the Rule of 78 method to ensure customers with fixed rate hire- purchase agreements are not greatly disadvantaged compared to the customers with agreements that apply the reducing balance method in the future.
For how long is the goodwill discount available?	The goodwill discount will continue to be offered to eligible hire- purchase customers until all fixed rate hire-purchase agreements which apply the Rule of 78 method have reached full maturity or have been early settled.