



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

# **Issuance of Redemption Statement and Release of Original Title of Immovable Property**

Applicable to:

1. Licensed banks
2. Licensed Islamic banks
3. Licensed insurers carrying on life business
4. Licensed takaful operators carrying on family takaful business
5. Prescribed development financial institutions

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## **PART A OVERVIEW**

### **1 Introduction**

- 1.1 This policy document sets out the requirements for financial service providers (FSPs) to expedite the issuance of the redemption statement for housing loan/home financing and the release of the original title of immovable property via work process improvement.
- 1.2 The aim of this policy document is to promote efficacy of doing business and to improve the delivery of services in the financial services sector.

### **2 Applicability**

- 2.1 This policy document is applicable to a FSP as defined in paragraph 5.2.

### **3 Legal provisions**

- 3.1 The requirements in this policy document are specified pursuant to-
  - (a) section 123(1) of the Financial Services Act 2013 (FSA);
  - (b) section 135(1) of the Islamic Financial Services Act 2013 (IFSA); and
  - (c) section 42C(1) of the Development Financial Institutions Act 2002 (DFIA).
- 3.2 The guidance in this policy document are specified pursuant to-
  - (a) section 266 of the FSA;
  - (b) section 277 of the IFSA; and
  - (c) section 126 of the DFIA.

### **4 Effective date**

- 4.1 This policy document comes into effect on 26 February 2020.

### **5 Interpretation**

- 5.1 The terms and expressions used in this policy document shall have the same meanings assigned to them in the FSA, IFSA or DFIA, as the case may be, unless otherwise defined in this policy document.
- 5.2 For purposes of this policy document-

“S” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretive, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted; and

“**financial service provider**” refers to-

- (a) a licensed bank under the FSA;
- (b) a licensed Islamic bank under the IFSA;
- (c) a licensed insurer under the FSA carrying on life business;
- (d) a licensed takaful operator under the IFSA carrying on family takaful business; and
- (e) a prescribed institution under the DFIA.

## PART B POLICY REQUIREMENTS

### 6 Process improvement

- S** 6.1 A FSP shall comply with the specified timeframe for the issuance of the redemption statement for housing loan/home financing and for the release of the original title of immovable property in **non-complex** cases as follows:
- (a) issue the redemption statement for housing loan/home financing within **two (2)** working days commencing from the next working day from the date of receipt of the instruction from the customer or the customer's solicitor; and
  - (b) release the original title of the immovable property within **five (5)** working days commencing from the next working day from the date of receipt of the redemption sum<sup>1</sup>.
- G** 6.2 For the purposes of paragraph 6.1, the following is a non-exhaustive list of examples of non-complex cases:
- (a) the housing loan/home financing account is performing and has no record of impairment history;
  - (b) the immovable property is not used as a collateral for other loan/financing facilities;
  - (c) complete security documents are in the custody of the FSP or its panel lawyer;
  - (d) complete information is provided by the customer and no further clarification is required;
  - (e) the terms of the housing loan/home financing contract have not been changed during the tenure; or
  - (f) all outstanding charges for the housing loan/home financing account have been fully settled.

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<sup>1</sup> If payment is made using a cheque, it is upon clearance of the cheque.