

# Guide to Consumer on Reference Rate



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA

Before  
2 Jan 2015

# BLR

Base Lending Rate

Loans extended prior to 2 January 2015 will continue to be referenced against the **Base Lending Rate (BLR)** or **Base Financing Rate (BFR)** until their maturities.

Effective  
2 January 2015

From  
2 Jan 2015

# BR

Base Rate

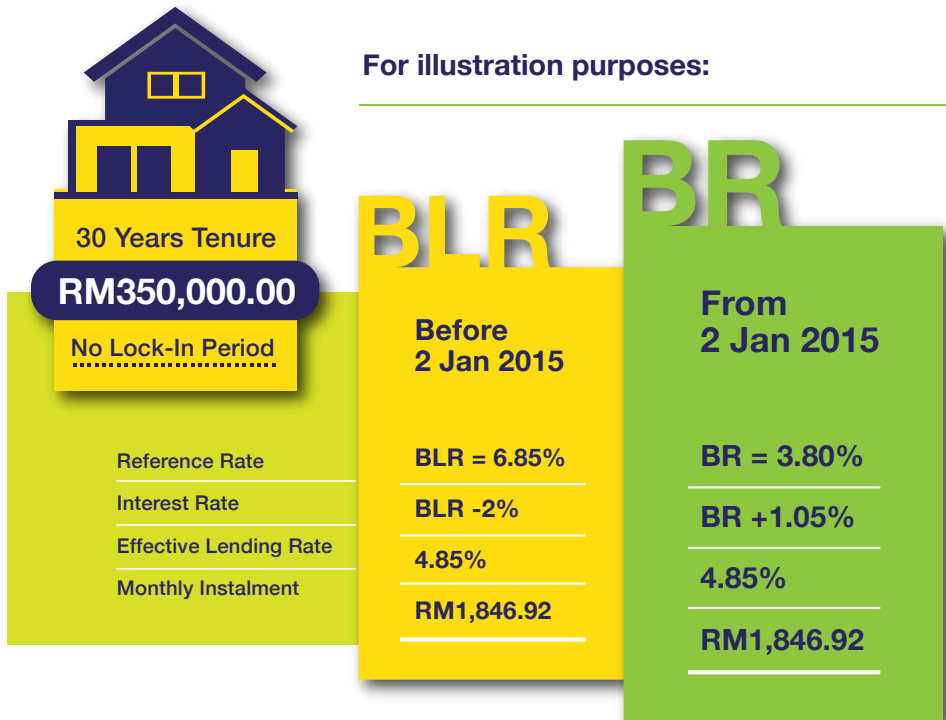
Effective 2 January 2015, a new reference rate known as the **Base Rate (BR)** will be used for new floating rate loans / financing facilities, such as housing loans.

# BR

Base Rate

## The move to BR does not affect Effective Lending Rates

Applicable to floating rate loans / financing facilities offered to individuals.



## What should you do as a borrower?

- 1 **Compare** the effective lending rates quoted by different financial institutions before taking out a new loan.
- 2 **Ask** for a Product Disclosure Sheet (PDS) providing you with the effective lending rate and total repayments amounts for the loan/financing facilities you plan to take out.
- 3 **Ask** your financial institution to explain the factors which may lead to a change in the Base Rate.
- 4 Your monthly repayment amount will increase or decrease when there is a change in the Base Rate.
- 5 You should also assess whether you can continue to afford the loan repayments if the effective lending rate increases in future.

**Note:** Financial institutions are required to publish the effective lending rate for a standard 30-year housing loan of RM350,000.