

First Home Buyers: The Essential Guide

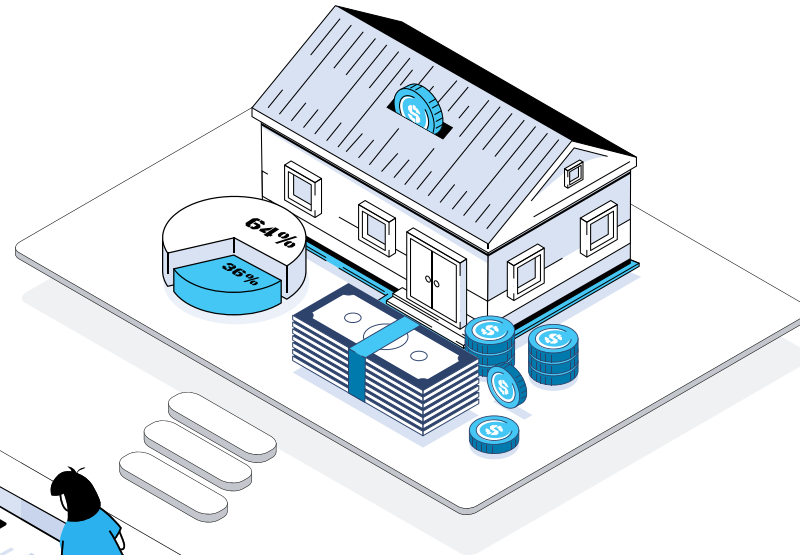


OWN YOUR FIRST HOME WITH CLARITY AND CONFIDENCE

First-Time Homebuyer Journey

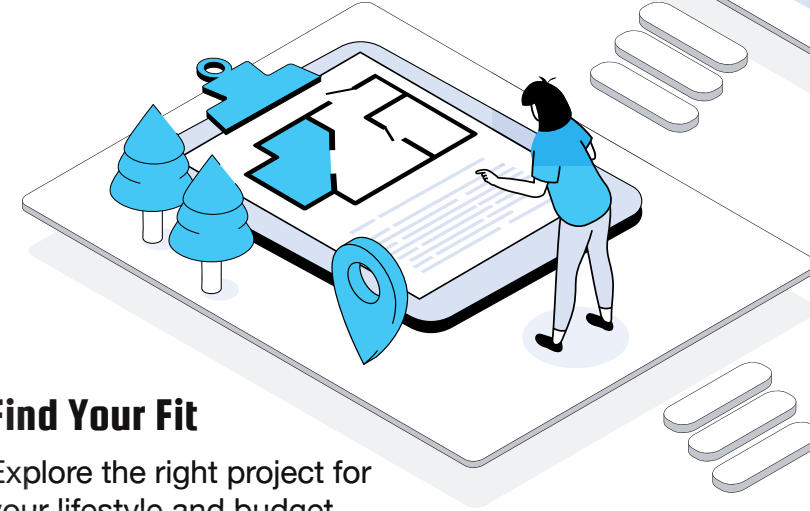
1 Plan with Purpose

Start with clarity. Set your goals, know your budget, and check your credit health. A solid plan helps you buy smart and avoid surprises down the road.



2 Find Your Fit

Explore the right project for your lifestyle and budget. Visit the sales gallery, compare layouts, and evaluate the developer, location, and value before making your decision.



3 Secure Your Financing

Compare bank offers, prepare your documents, and check your loan eligibility. Understanding your DSR and loan eligibility will help make the process smoother.



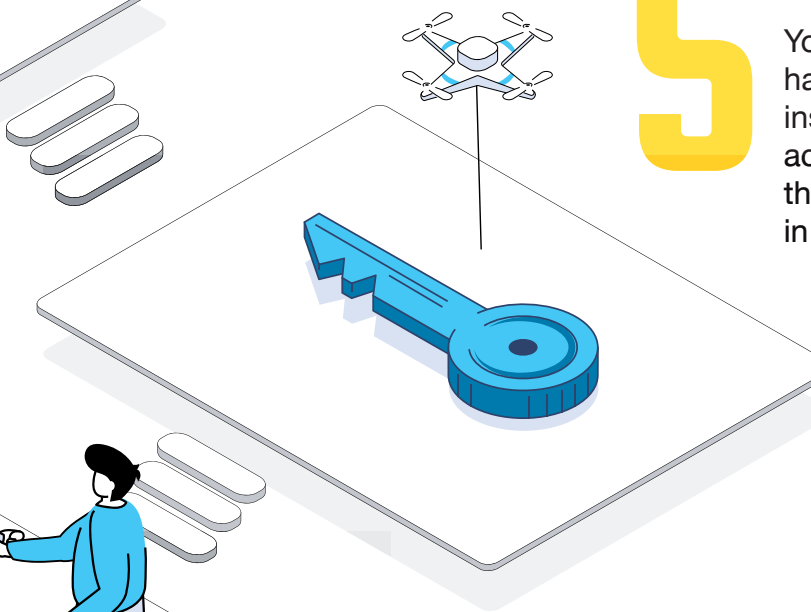
4 Seal the Deal

Review and sign the Sale & Purchase Agreement, settle your down payment, and complete the loan documents. With the paperwork done, your path to ownership is firmly in place.



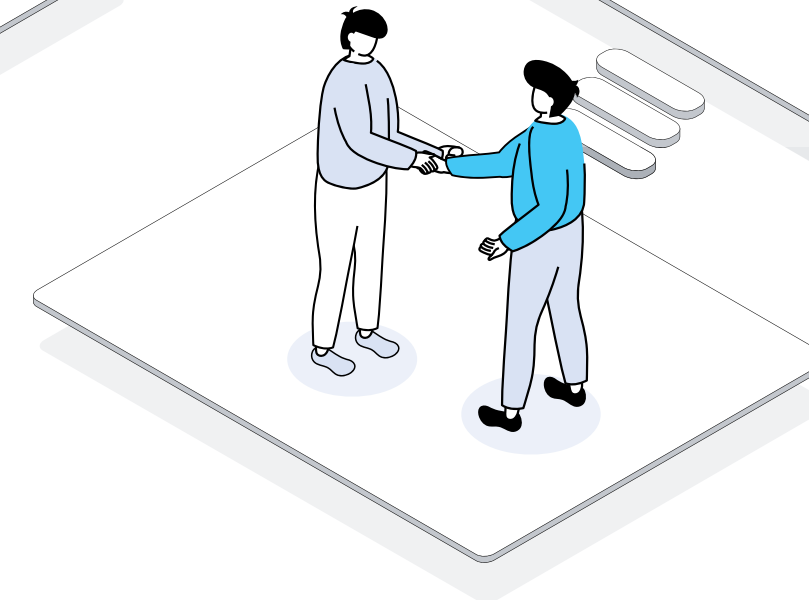
5 Get the Keys

Your new home is ready for the handover. Collect your keys, inspect for any defects, and activate your utilities. This is the final step before you move in or begin renovations.



6 Own It Legally

Complete the Memorandum of Transfer (MOT) to register the property under your name. Once the title is transferred, you become the official legal owner. This final step secures your rights for good.



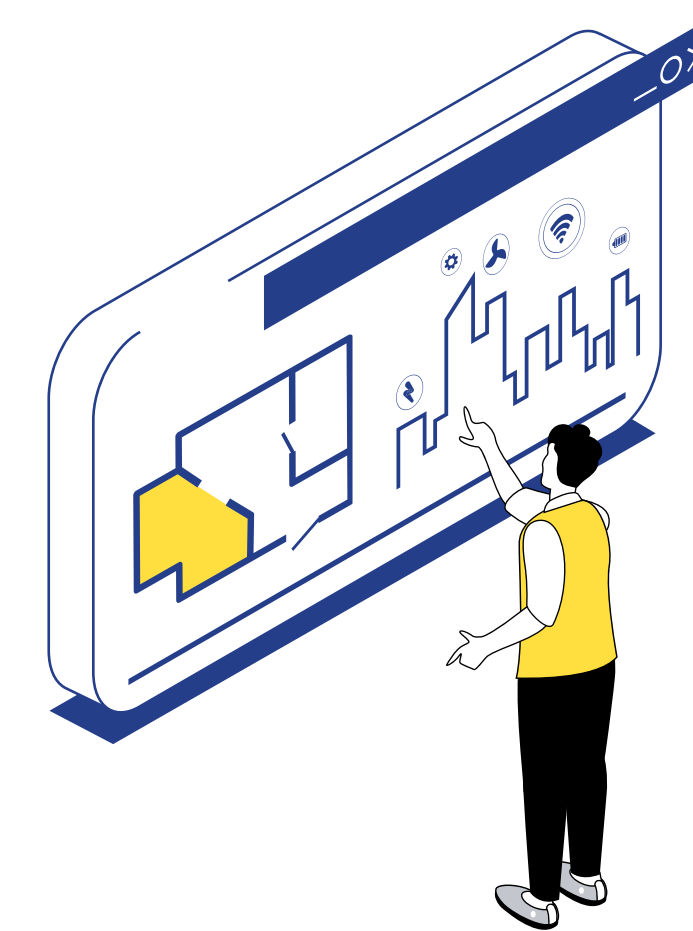
Stage 1

Plan with

Purpose

Begin with clarity

from lifestyle goals to credit health.



**Set Your
Homeownership
Goals**

FREEHOLD

VS

LEASEHOLD

Offers perpetual ownership, allowing you to hold and pass down your property indefinitely. This is often perceived as the gold standard for buyers prioritising legacy and long-term security.

Grants ownership for a fixed tenure, typically up to 99 years. Leasehold properties generally offer a more affordable entry point into prime locations, which make them an appealing option for investors and buyers prioritising lifestyle and accessibility.

INVESTMENT

VS

OWN STAY

When purchasing as an investment, key factors to consider include rental demand, potential for future appreciation, and a clear exit strategy to maximise returns.

When buying as your primary residence, it is important to prioritise comfort, daily convenience, and long-term suitability to ensure the home continues to meet your evolving needs.

LANDED

VS

HIGH-RISE

Landed property requires a significant upfront payment.

Condominiums and serviced apartments are more affordable and often equipped with facilities that cater to urban lifestyles.

COMPLETED

VS

NEW LAUNCHES

Completed units offer immediate move-in or rental yield. It is also important to consider how your lifestyle might have changed by the time you take possession of the keys.

New launches provide brand-new units with the latest design and features, but typically take 2-5 years to be completed.

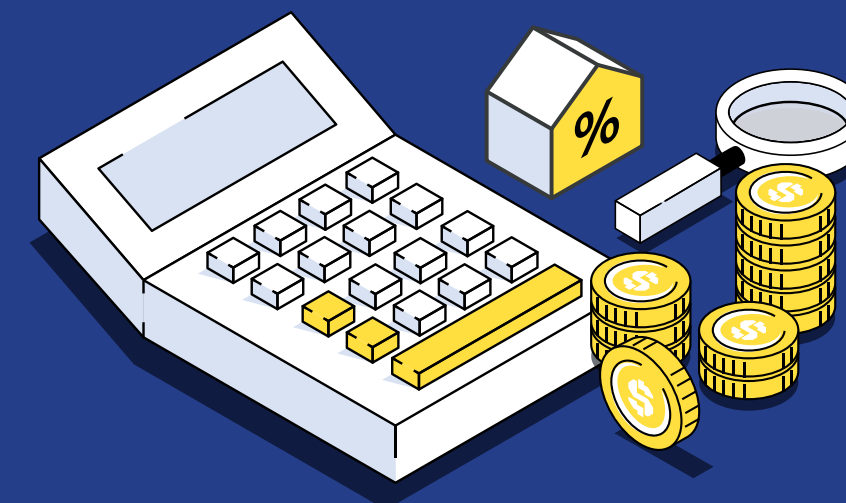
2

Determine Your Budget & Financial Readiness, Set a Realistic Property Price Range

A good rule of thumb is to spend **no more than 40% of your net income on monthly loan instalments**. This means your ideal property price should be about **87 times your monthly income** — a range that keeps your finances healthy and improves your chances of loan approval.

Understand the costs beyond the property price. Prepare finances not just for the property price, but also for hidden costs that can add up fast.

Item	Estimated %	When You'll Need It
Down Payment	10%	Upon signing the SPA
Legal Fees & Disbursement	1 - 2% <i>(may be waived)</i>	Upon signing the SPA and loan agreement (if not covered)
Stamp Duty (SPA & Loan)	1.5 - 2%	During the stamping process
MOT & Stamp Duty on Title	1 - 4%	When the title is issued and ownership is transferred
Renovation & Furnishing	5 - 10%	After the key handover
Moving, Utilities, Misc.	1%	Before moving in



4

Calculate Your Debt Service Ratio (DSR)

Very simply, the **Debt Service Ratio (DSR)** is a key metric banks use to **assess your ability to repay a loan**. It indicates how much of your monthly income will go towards paying your debts. These include existing commitments like car loans, PTPTN, and credit cards - not just the new home loan.

Most banks prefer a DSR below 70%, meaning the lower the ratio, the higher your chances of getting a loan approval.

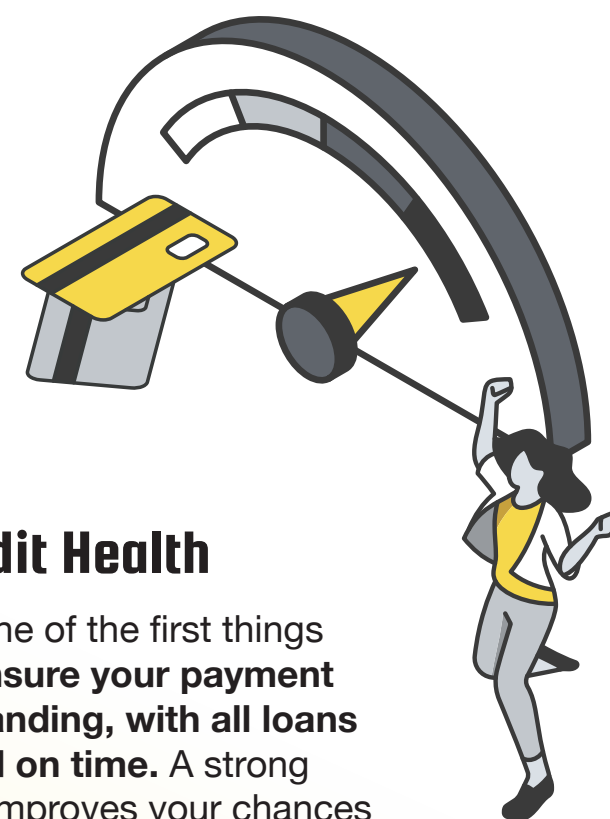
THE FORMULA

$$\frac{\text{Total Monthly Commitments}}{\text{Monthly Nett Income}} \times 100$$

There are **2 TYPES** of Credit Reports:

	CCRIS	CTOS
Managed By	Bank Negara Malaysia	Private credit reporting company
Ideal Credit Score	7 - 10	697-850* <i>(Score ranges from 300 - 850)</i>
Where to Get It?	PHYSICAL COPY: BNM's Head Office or BNM Regional Offices DIGITAL COPY: BNM's telelink, eCCRIS service, or email	Official website at ctoscredit.com.my

3



Check Your Credit Health

Your credit report is one of the first things lenders will review. **Ensure your payment history is in good standing, with all loans and instalments paid on time.** A strong credit score not only improves your chances of approval but can also help you secure more favourable loan terms.

Estimate Your Loan Eligibility

Once you have a comprehensive understanding of your income, debts, and DSR, you can estimate the loan amount you are likely to be approved for.

Use online calculators or consult a mortgage advisor to assess your eligibility. Knowing your loan range helps you shortlist properties within your actual budget.

First-time home buyers can obtain up to 90% financing if their credit score and DSR are within a healthy range.

5



6 Check Your Eligibility For First-Time Homebuyer Schemes

In line with government initiatives, first-time homebuyers can access various special first-home schemes, such as **BSN MyHome, Skim Rumah Pertamaku (SRP)**, and state-level programs. These schemes may **offer lower interest rates, higher loan margins, or reduced entry costs.**



Stage 2

Find Your Fit

Compare locations, layouts, and lifestyle features to find properties that meet your needs

- not just for today, but for the long term.

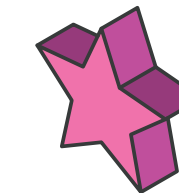


Shortlist Properties

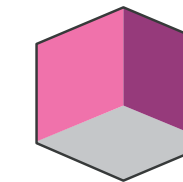
First, identify properties that align with your lifestyle and priorities.



Location & Accessibility



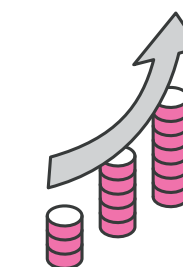
Developer's Reputation



Layout & Size



Facilities & Lifestyle



Price & Value

2

The showroom isn't just for pretty photos – it's your chance to experience the space, study the layout, and ask the questions that matter.



When visiting

Walk through the show units, scale models, and layout charts.

Confirm the availability of your preferred unit.

Ask the right questions to avoid surprises later.

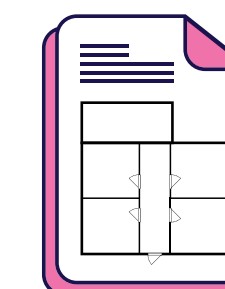
3

Reserve a Unit

Once you have selected your unit, you will receive:



An official reservation form

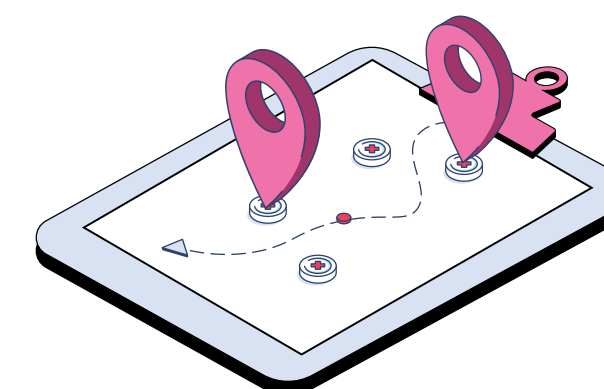


A copy of the floor plan and full unit details

TOP 10 QUESTIONS TO ASK

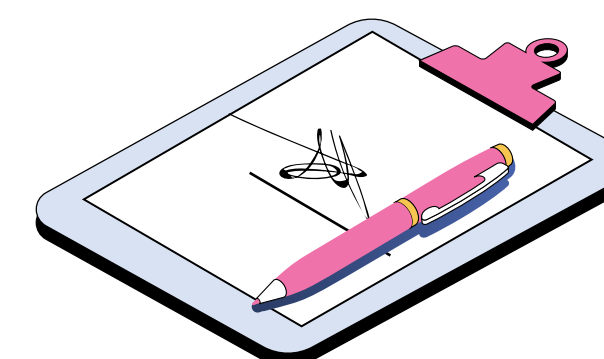
- 1 What's included in the price?**
Check if fittings like air conditioners, kitchen cabinets, and appliances are included in the unit. Not everything shown in the showroom is part of the package.
- 2 Does the development have any green building certifications?**
Check if it has green certifications such as GreenRE and features such as rainwater harvesting, solar panels, and others.
- 3 When will the home be completed?**
Ask for the projected completion and handover date.
- 4 What are the monthly maintenance fees?**
Check if the fees cover security, upkeep of shared facilities, cleaning services, and contributions to the sinking fund.
- 5 What's the property tenure and title? Is it freehold or leasehold, strata or individual title?**
Properties with freehold titles provide perpetual ownership, whereas leasehold properties may come with restrictions or renewal costs. Strata titles involve shared responsibility for common areas, while individual titles grant you full control over your land and building.
- 6 How reputable is the developer?**
Recognition from awards such as StarProperty and EdgeProp signals industry trust, while certifications such as GreenRE show commitment to sustainability.
- 7 Are there rental restrictions?**
Some developments restrict short-term rentals like Airbnb. Check the development's policies if you plan to rent out your unit.
- 8 What's the financing margin from panel banks?**
Most first-time buyers can get up to 90% financing, but check if this project qualifies for higher margins or special loan packages.
- 9 Are there upcoming developments nearby?**
Future projects such as MRT stations, malls, or highways can enhance accessibility and increase property values. It is advisable to enquire about planned developments in the area to better assess its long-term potential.
- 10 What's the exact layout, unit facing, and position on the masterplan?**
Many buyers prefer north- or south-facing units to minimise direct sun exposure. It is also important to consider whether the unit faces a main road, highway, or other blocks, and if it is located near lifts or refuse rooms. These factors can affect comfort, privacy, and noise levels.

COMMON MISTAKES TO AVOID WHEN RESERVING A PROPERTY



Skipping a Site Visit

Do not rely solely on the showroom. **Visit the actual project site to assess real-world surroundings** like access roads, traffic flow, nearby amenities, and future developments.



Assuming Reservation Guarantees the Unit

A reservation only grants temporary hold over the unit. **If the deadlines for SPA signing or loan submission are not met, the unit may be released without any refund.**



Thinking the Journey Ends Here

Reserving a unit is just the start of the homebuying process. **Critical steps - from loan approval and legal documentation to the final payments - require your active involvement.** Stay engaged and proactive to avoid costly mistakes.

Stage 3

Secure Your Financing

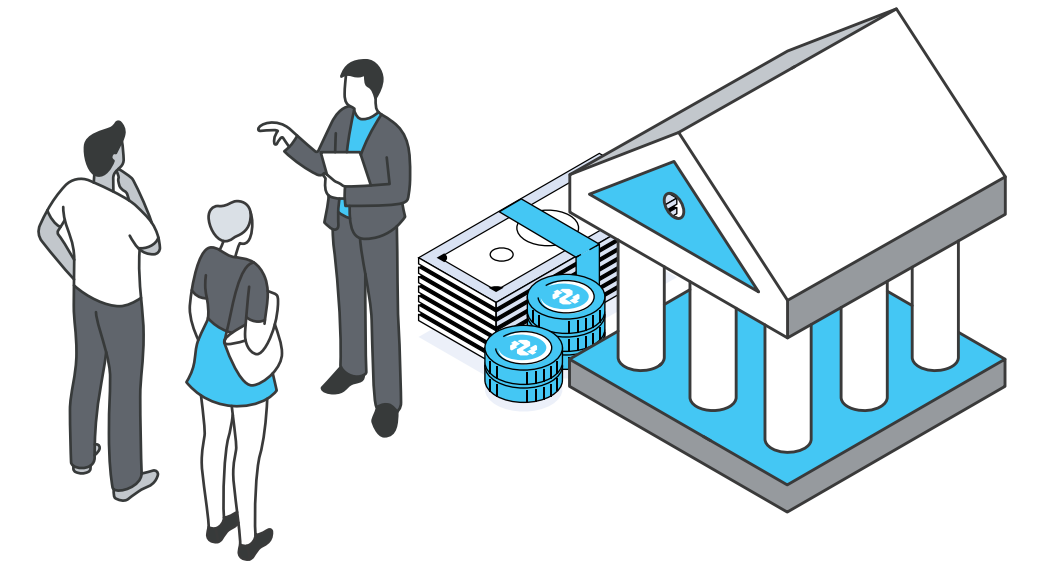
Note:

If you are a cash buyer buying without a loan, your process is simpler and faster – no bank approval or mortgage paperwork involved. Skip to Stage 4.

1 Select a Bank

Many developers appoint panel banks for specific projects. **These banks are already well-acquainted with the project, which can often lead to faster approval timelines.** In some cases, they may also **provide more attractive loan packages, such as lower interest rates or waivers on legal fees.**

That said, you can still approach other banks to compare offers, either directly or through the developer's sales personnel or appointed agent.



2 Prepare the Necessary Documents

- ✓ Identification Card (MyKad)
- ✓ Latest 3-6 months payslips
- ✓ EPF statement (KWSP)
- ✓ Income tax return (e-BE)
- ✓ Bank statement (3-6 months)
- ✓ Employment letter or business ownership documents

3 Submit Your Loan Application

Bankers will submit your details to the bank's credit team.

They will:

- ✓ Check your CTOS/CCRIS (credit history)
- ✓ Calculate your DSR (Debt Service Ratio) to assess affordability

Note: Refer to Stage 1 for detailed explanations on CTOS/CCRIS and DSR.

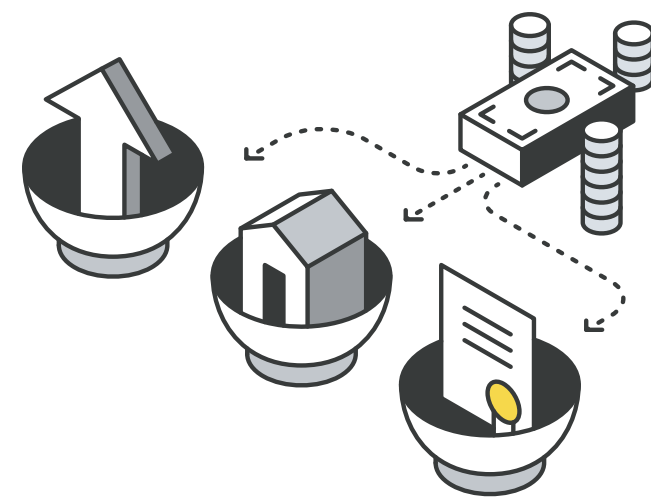


4

Loan Approval

Loan approvals typically require 3-7 working days.

Once approved, you will receive a Loan Offer Letter (LO) outlining the approved amount, interest rate, repayment tenure, and monthly installment.



3 ESSENTIAL LOAN TERMS

A FINANCING MARGIN

The financing margin refers to the proportion of the property price that a bank is prepared to finance through a loan. **First-time homebuyers are generally eligible for financing of up to 90%**, though certain banks or government initiatives may provide full financing.

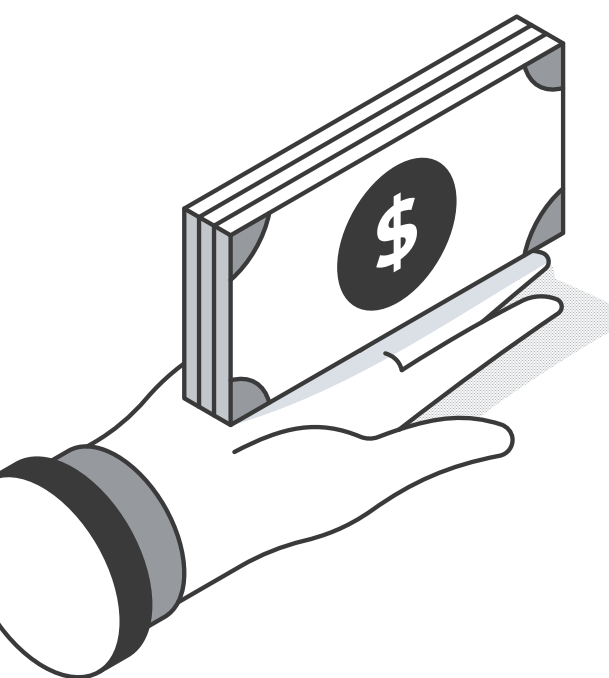
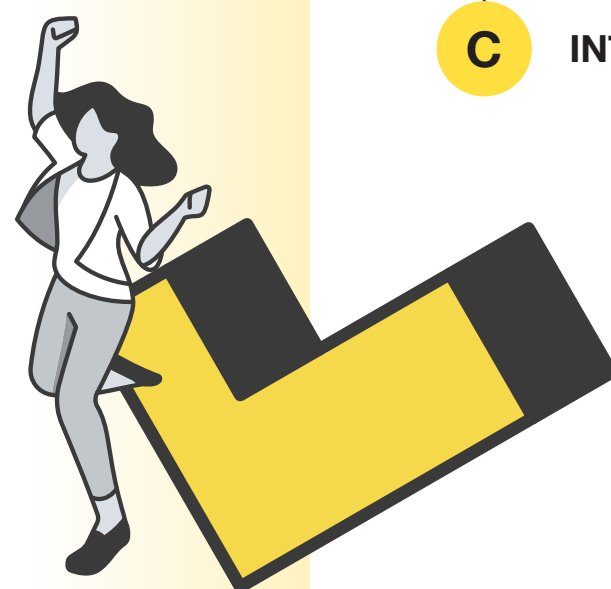
B LOAN TENURE

Homebuyers may obtain financing for up to **35 years, subject to an age limit of 70 years**, whichever applies first.

C INTEREST RATE

Most home loans are based on a floating interest rate. This rate is usually tied to the **Standardised Base Rate (SBR) which is adjusted in tandem with the OPR (Overnight Policy Rate) determined by Bank Negara Malaysia**, plus the bank's fixed profit margin.

Example:
If the SBR is 3.00% and the bank's profit margin is 1.50%, your effective rate is 4.50%. The rate may be adjusted if the SBR changes in the future.



5

Accept the Loan Offer

After reviewing and agreeing to the loan offer, sign and return the Loan Offer Letter (LO) to the bank.



Consider Mortgage Insurance

Mortgage insurance helps protect family members from outstanding loan obligations in the event of the borrower's death or permanent disability. There are two main types of insurance: MRTA and MLTA.

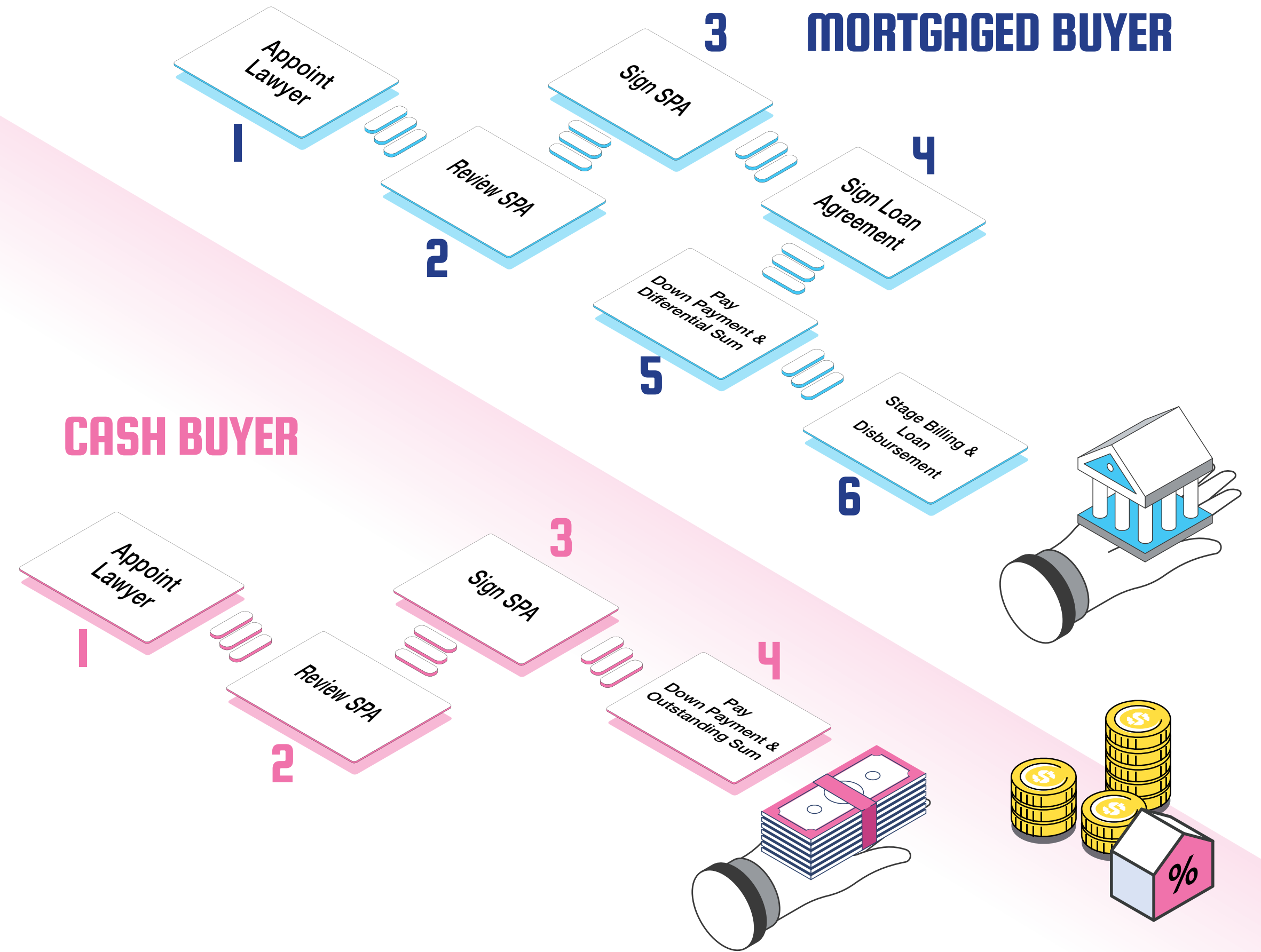
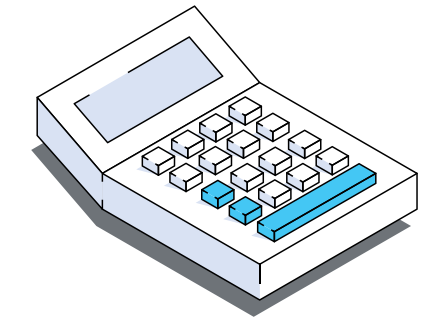
Aspects to Compare	Mortgage Reducing Term Assurance (MRTA)	Mortgage Level Term Assurance (MLTA)
Payment Method	Cost is included in your home loan.	Paid separately from your home loan.
Premium Calculation	Based on factors such as age, gender, and health profile.	Higher premiums, mainly influenced by age.
Coverage	Ensures your outstanding home loan is repaid in the event of death or disability.	Covers home loan repayment and may provide additional cash benefits (<i>if applicable</i>).
How to Pay	One-time lump sum or added to the home loan amount.	Flexible payment options—monthly, quarterly, semi-annual, or annual.
Best for	Buyers with few dependents who want basic protection.	Sole breadwinners or those who want extra financial protection for their family.
Key Point	Suitable if you prefer a lower-cost, straightforward protection plan linked directly to your loan.	Ideal if you want broader protection, cash value, and benefits that extend beyond just repaying the loan.

Stage 4

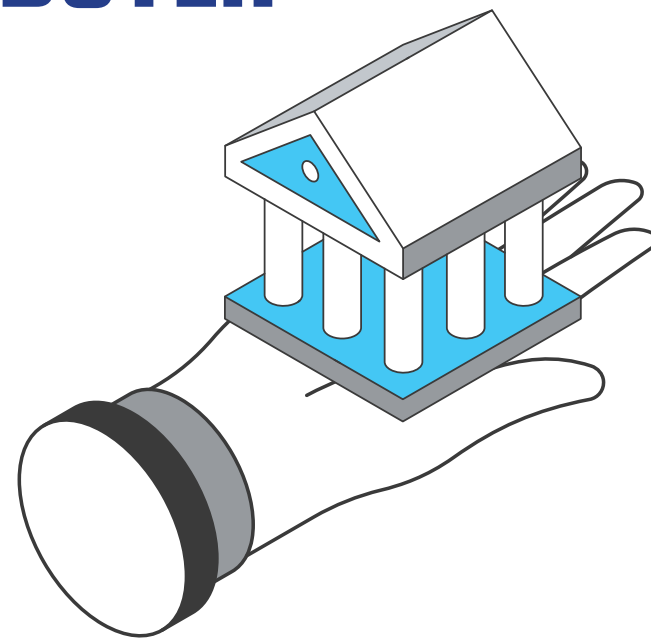
Seal the Deal

Deal

Once the loan is approved, the homebuyer will sign the Sales & Purchase Agreement (SPA), thereby officially becoming the property owner. The SPA is a legally binding contract between the homebuyer and the developer, specifying the purchase price, payment terms, delivery timeline, and defect liability period.



MORTGAGED BUYER



1 Appoint lawyer

When buying a new property, the developer will assign a panel lawyer to assist you.

2 Review SPA

The SPA outlines:

- ✓ The price of the property
- ✓ Payment terms
- ✓ Delivery timeline
- ✓ Defect liability period
- ✓ Penalties for delays by either party

The lawyer will explain the terms to you. Feel free to ask any questions.

3 Sign SPA

The SPA must be signed within 14 - 21 days from the reservation date.

You will typically sign 4 – 5 physical copies.

- ✓ Incentive Letter
- ✓ Furniture & Fitting Letters
- ✓ Letter of Consent for Alteration/Revision of Plan
- ✓ Letter of Consent for Extension of Time (EOT)
- ✓ PDPA (Personal Data Protection Act) Form

After signing, the SPA will be stamped by LHDN (Inland Revenue Board), making it legally valid.

4 Sign Loan Agreement

In most cases, you will sign these legal documents at the project sales gallery or the lawyer's office.

You are required to pay the legal fees and stamp duty for the loan agreement, unless they are waived by the developer.

5 Pay Down Payment & Differential Sum

After signing the loan agreement, you are required to pay the remaining 10% of the purchase price and settle any differential sum based on the approved loan margin (if applicable).

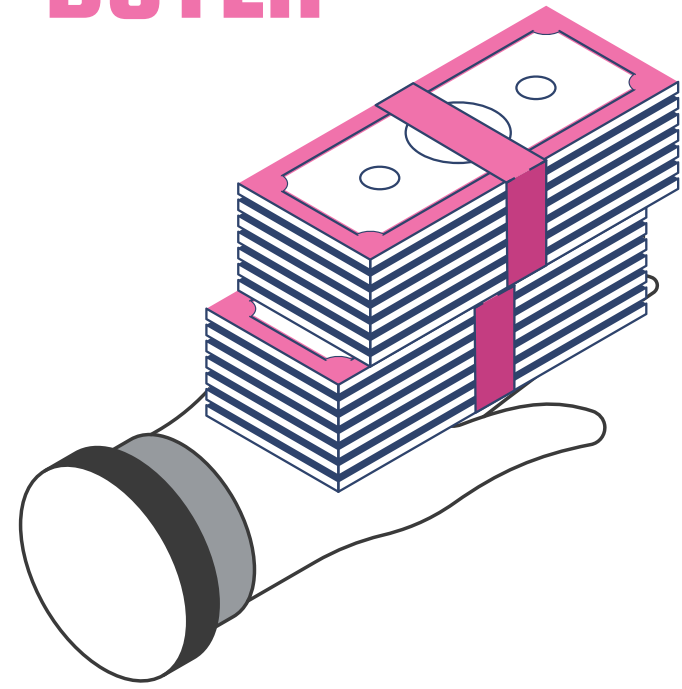
6 Stage Billing & Loan Disbursement

The bank will release payments to the developer, in accordance with Schedule G/H of the Schedule of Payment.

You will receive progressive billing updates and should keep track of all related documents, including progressive billing letters and payment receipts.

Note: This only applies to properties under construction. For completed properties, the full payment may be released in a single installment.

CASH BUYER



1 Appoint lawyer

When buying a new property, the developer will assign a panel lawyer to assist you.

2 Review SPA

The SPA outlines:

- ✓ The price of the property
- ✓ Payment terms
- ✓ Delivery timeline
- ✓ Defect liability period
- ✓ Penalties for delays by either party

The lawyer will explain the terms to you. Feel free to ask any questions.

3 Sign SPA

The SPA must be signed within 14 - 21 days from the reservation date.

You will typically sign 4 – 5 physical copies.

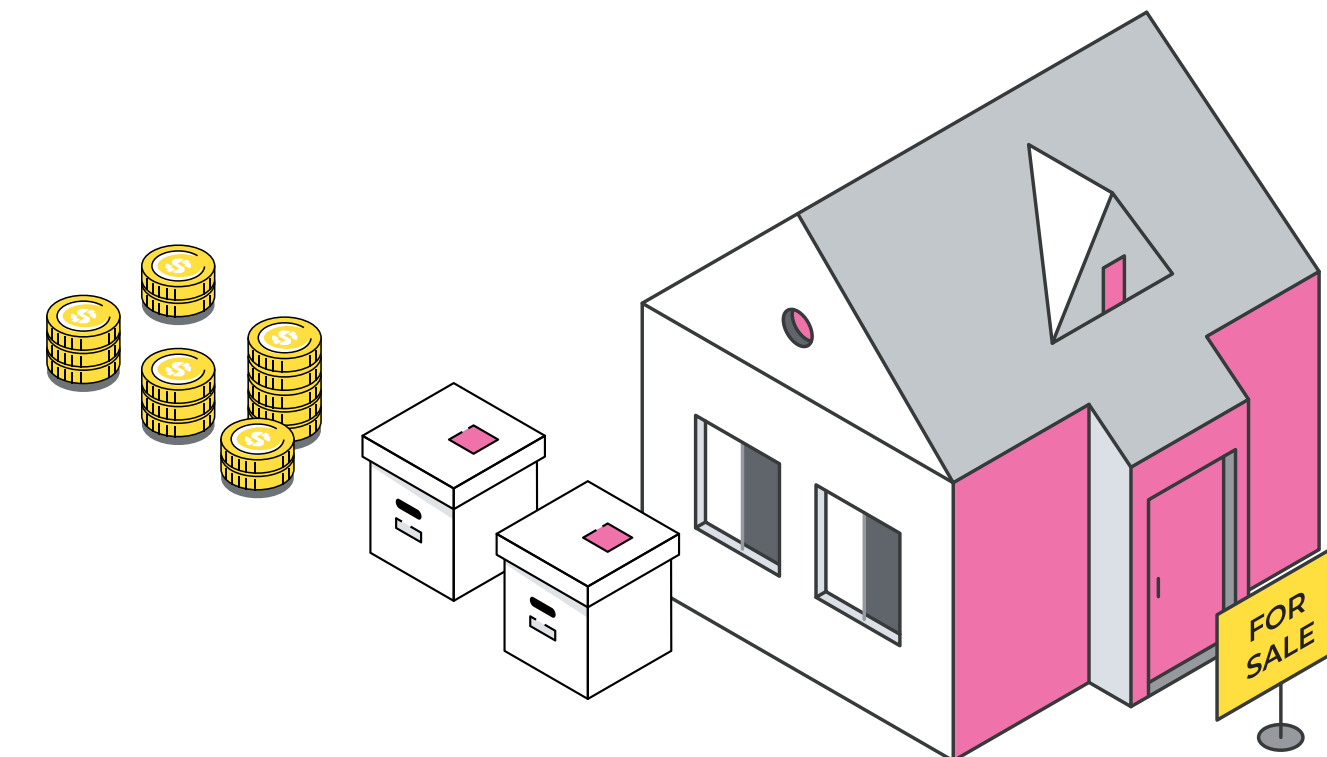
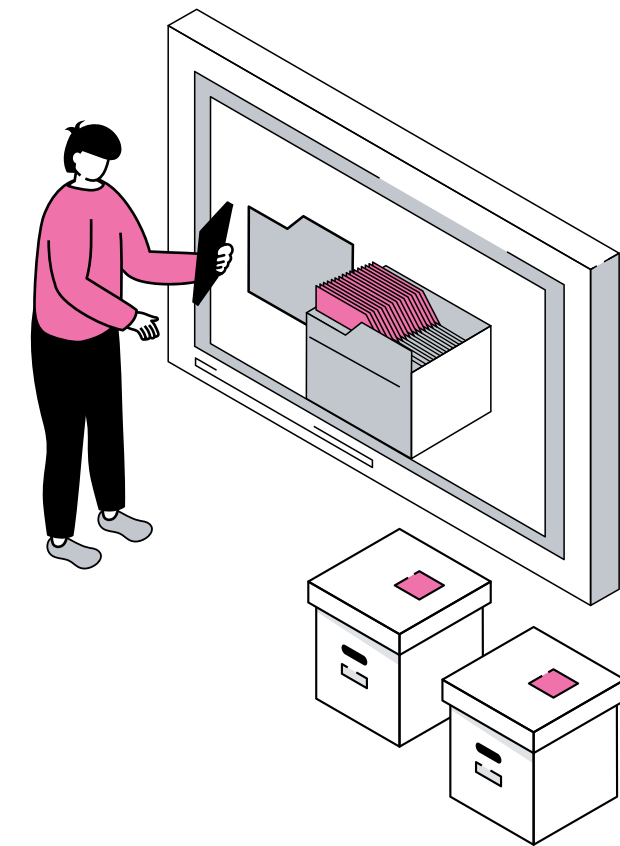
- ✓ Incentive Letter
- ✓ Furniture & Fitting Letters
- ✓ Letter of Consent for Alteration/Revision of Plan
- ✓ Letter of Consent for Extension of Time (EOT)
- ✓ PDPA (Personal Data Protection Act) Form

After signing, the SPA will be stamped by LHDN (Inland Revenue Board), making it legally valid.

4 Pay Down Payment & Outstanding Sum

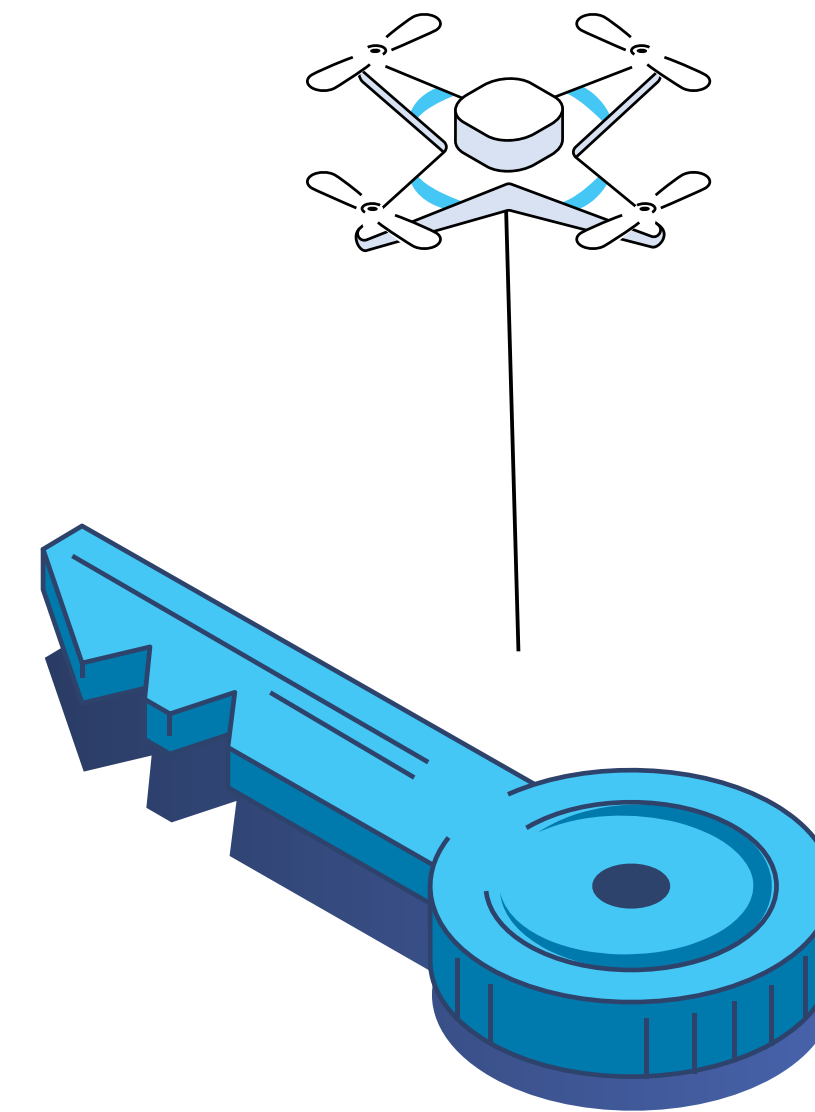
Instead of being financed by the bank, the property purchase will be self-funded.

- ✓ 10% down payment
- ✓ Remaining 90% as per Schedule G/H of the Schedule of Payment (for under-construction units)
- ✓ Full 100% payment for completed units



Stage 5

Get the Keys



When the property is ready for handover, the developer will notify you to arrange the key collection and unit inspection. You should collect the keys and inspect the property, even if you do not plan to move in immediately.

Project Completion & Certificate of Compliance and Completion (CCC) Issuance

3 CRITERIA TO FULFILL

- 1 The property must be constructed in accordance with the approved plans, and all fixtures and fittings specified in the Sale and Purchase Agreement (SPA) must be duly installed.
- 2 The building must be equipped with water and electricity services that are available and ready for connection.
- 3 All outstanding amounts due to the developer, as stated in the Vacant Possession (VP) letter, have been fully settled.



Upon obtaining the Certificate of Completion and Compliance (CCC), the developer will issue a Vacant Possession (VP) notice via registered post.

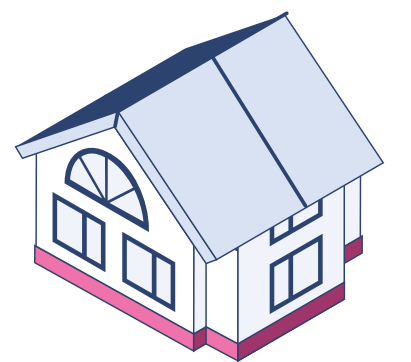


The date stated in the Vacant Possession (VP) letter marks the commencement of the Defect Liability Period (DLP).

Ensure that your mailing address is updated with the developer to avoid any delivery issues.

This notice informs you:

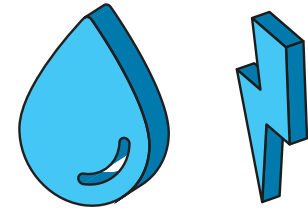
- ✓ That the unit is ready for key collection
- ✓ Payment details prior to key collection
- ✓ The Defect Liability Period



2

Application of Utilities Account (TNB & Water)

Typically, developers will assist with the application for TNB & water meters.



3

Key Collection Appointment

Schedule a key collection appointment with the developer's Customer Relationship Management (CRM) team.

Typically, this occurs at:

- ✓ Project site (CRM Office)
- ✓ Sales Gallery (in some cases)

4

Defect Inspection & Reporting

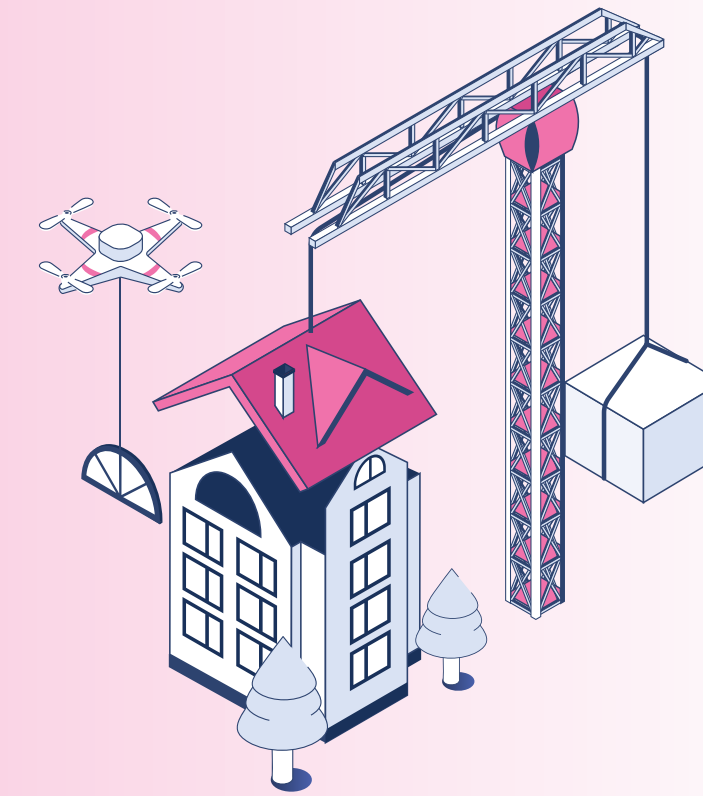
The Defect Liability Period (DLP), as provided by law, grants you **24 months** from the date of vacant possession to report any defects.

Conduct a thorough inspection for issues such as water leaks, cracked tiles, or faulty switches, and submit a written defect report to the developer requesting rectification.

5

Rectification by Developer

The developer is responsible for rectifying any defects in the unit due to faulty workmanship or materials at **no cost to the buyer during the Defect Liability Period (DLP)**.

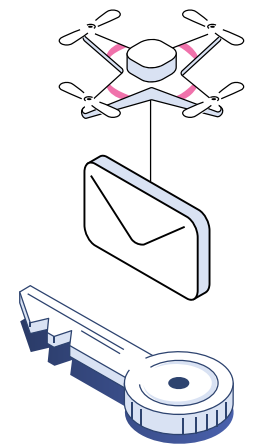


6

Renovate & Move In

Once the defects have been rectified, or if you are satisfied with the condition of the property, you may proceed to:

- ✓ Begin renovation works in accordance with the building management's guidelines and approval procedures.
- ✓ Start moving into your new home!



7

Keep These Documents Safe



- ✓ VP Notice
- ✓ Key Handover Acknowledgement
- ✓ Utility Activation Receipts
- ✓ Defect Report & Rectification Forms
- ✓ Renovation Permit (if applicable)

Stage 6

Own It

Legally

MOT (Memorandum of Transfer)

The MOT is a legal document that **officially transfers property ownership from the developer to the buyer.**

It is a necessary step in registering the title under the purchaser's name.



Why Do I Need to Complete the MOT?

The Memorandum of Transfer (MOT) **legally establishes the purchaser as the rightful owner of the property and safeguards their ownership in the event of any legal dispute.**

Without it, the property title remains under the developer's name, and the buyer's ownership is not legally recognised.

Think of it as the **FINAL** legal document confirming that the **property now OFFICIALLY belongs to you.**

Process of Completing the MOT:

1 Issuance of Title

The developer will notify the purchaser when the title is issued.

4 Stamp Duty

The purchaser is required to pay stamp duty based on the notice issued by LHDN. The MOT becomes valid only once the duty has been paid.

2 MOT Preparation

Usually, the panel lawyer appointed by the developer will prepare the necessary documents for the MOT.



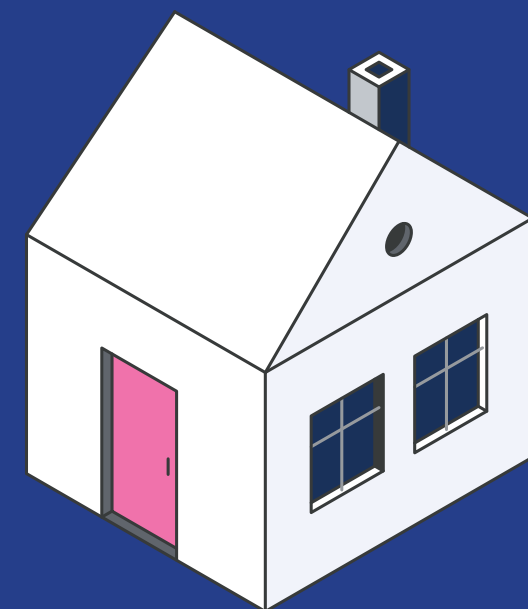
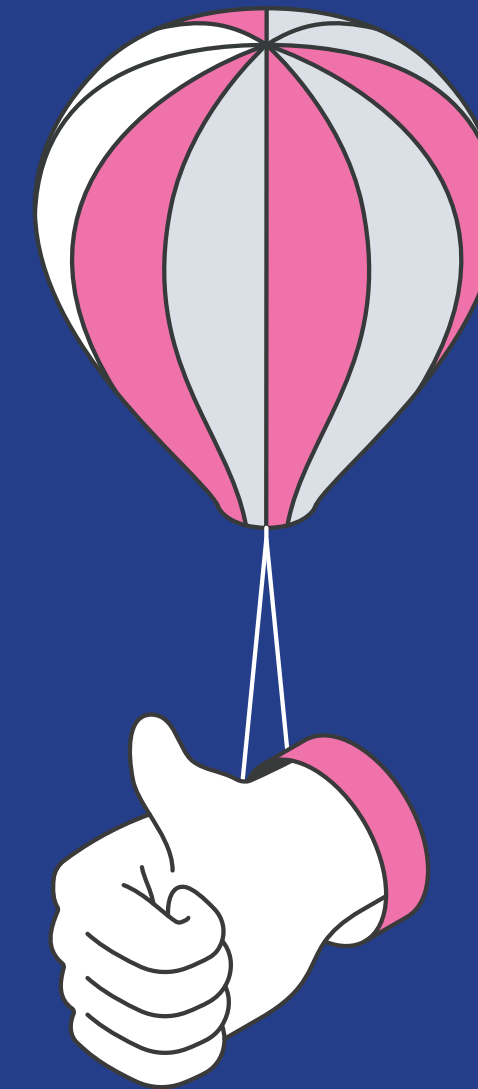
3 Signing the MOT

Both the purchaser and developer will sign the MOT, which is then submitted for registration at the land office.

5 Registration

Once the MOT is signed, stamped, and registered at the land office, a new title deed will be issued in the purchaser's name, completing the transfer process.

Congratulations!



**You've learned the essentials
and are ready to take the next step
with confidence!**



New Ideas *for a*
New Generation