

Why **APA** & **BAPA**?

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Concepts

Debt Cancellation

1. Letter of Offer (LO)
2. Asset vs Liability
3. Loan = Long
4. APA – Asset Protection Account



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Mortgage

Asset Protection Account (APA)



Get the protection your family needs

Mortgage Planning – Budget Allocation

Subject	Down Payment	Sales & Purchase Agreement	Mortgage Loan Agreement	Asset Protection Account	
Rough Calculation	% of purchase price	% of purchase price	% of Loan Amount	% of Loan Amount	
Budget Allocation	10%	3%	2%	1%	Able to shorten the loan tenure by 3 to 5 years*
				2%	Able to shorten the loan tenure by 6 to 10 years*
				3%	Able to shorten the loan tenure by 11 to 15 years*

Note * : Depends on age

What are the differences?

MRTA

- ✓ Total cost incurred
- ✓ Perceive cheaper
- ✓ Customer can choose either finance in or lump sum payment
- ✓ Cover Death and Disability

Asset Protection Account

- ✓ Total Asset planning
- ✓ Customer can choose either finance in or lump sum payment
- ✓ Cover Disability or Critical Illness
- ✓ Level coverage
- ✓ Sum insured paid to family members
- ✓ Recycle usage for future properties even refinance
- ✓ Offset outstanding loan

I am NOT touching on this part.....BUT rather on WHY need APA?

10 Reasons Why must engage APA instead of MRTA

No	Subject	APA (Asset Protection Account)	MRTA
1	Premium Payment	Can be yearly or other mode of payment half yearly, quarterly or monthly	Normally request for lump sum premium. If the amount is blended into the entire loan, eventually the borrower pay even more (including interest)
2	Time value of Money (TVM)	Paying in yearly basis that means you are paying on Future Value ; More cash for other opportunity or current use.	Have to pay lump sum which is the Present Value ; Less cash for other opportunity or current use
3	Level Coverage	Level Sum Assured towards the duration of coverage; means the sum assured is the same towards the tenure.	Decreasing Sum Assured towards the duration of coverage
4	Type of Coverage	Can cover for Death, Disability and Dread Disease ; upon diagnosis of critical illness, there will be a lump sum payable to settle the outstanding loan.	Usually the coverage confine to Death and Disability only . Upon diagnosis of critical illness, the borrower still needs to settle the outstanding loan.
5	Early Settlement of Loan, shorten the loan tenure to save up the interest paid	Possible to have early loan settlement due to its cash or fund value accumulation. Thus, you may able to shorten the loan tenure and save up the unnecessary interest.	Not possible because there is no cash value
6	Transferable to cover 2 nd asset	Upon completion of loan repayment of the 1 st property, the APA can be transferable for the mortgage coverage of 2 nd property.	For new application for new
7	Insurability issue	Since the APA can be transferred to the 2 nd property, the borrower may not need to apply for a new application.	For new application is needed for 2 nd property, the borrower may not able to insure due to medical problem if any. (Not insurable due to medical issue)
8	Financial benefit	Upon death or disable, the sum assured payable will settle the outstanding loan and since it is a level sum assured, there is surplus of sum payable to the family as living expenses.	Upon death or disable, the sum assured will settle the outstanding loan and because of reducing sum assured, there is NO surplus to the family .
9	Supplementary Retirement Benefit	Since the plan acquire cash value or fund value, it serves as supplementary retirement fund for the borrower should he sold the property or when he completed the loan repayments.	No retirement fund for the borrower as there is NO cash value involve.
10	Savings Tool to lock in your money	It is a forced savings tool for the borrower to set aside a small token every month or every year for the entire benefit mentioned above.	No savings feature . The borrower may just spend the money on other matter instead of locking it in a savings tool due to spending habit or bad discipline in handling money.

I am NOT touching on this part.....BUT rather on WHY need APA?

PETS

Benefit of having APA

- P = **Protection** (additional coverage for family living expenses)
(Because of Level Sum Assured)
- E = **Early** Settlement if needed
(Because of Fund Value accumulated over the years)
- T = **Transferable** for another asset loan coverage
(Because Life Coverage on the Insured and NOT tied to the property)
- S = **Supplementary** Retirement Funds
(if not being used for early settlement)
(Because of Fund Value accumulated over the years & NOT being used for early settlement)



**Important
POINT**

Get the protection your family needs

ASSET PROTECTION ACCOUNT is there to **pay off** your mortgage, allow you or your family to **keep** your home/large investment in the event of *death, TPD, critical illness*. It is a way to protect one of your largest financial obligations...

Why **APA**?

1. If die, able to **settle** outstanding mortgage loan by executor, get the title and change owner to beneficiary
2. Hands on **Liquidity** (claim in 14 days unless complexity) – Liquid Cash indeed!
3. No need to use **own financial** resources to settle loan (which is RM1: RM1)
4. Economical way to solve problem (**leverage** on insurance)
5. Money not easy to **earn** (monthly surplus to top up to balance sheet)
6. Get it while **Young** (still within insurable age)
7. Get it while you have the **Earning** capacity (still can earn income)
8. Get it since you are still **Healthy** (generally health will deteriorate)
9. You are Compulsory **Expose to Risk** upon signing the LO (Letter Offer)
10. For BUMI clients, **HIBAH** is the solution (Syariah Compliance & avoid Faraid)

2

Asset



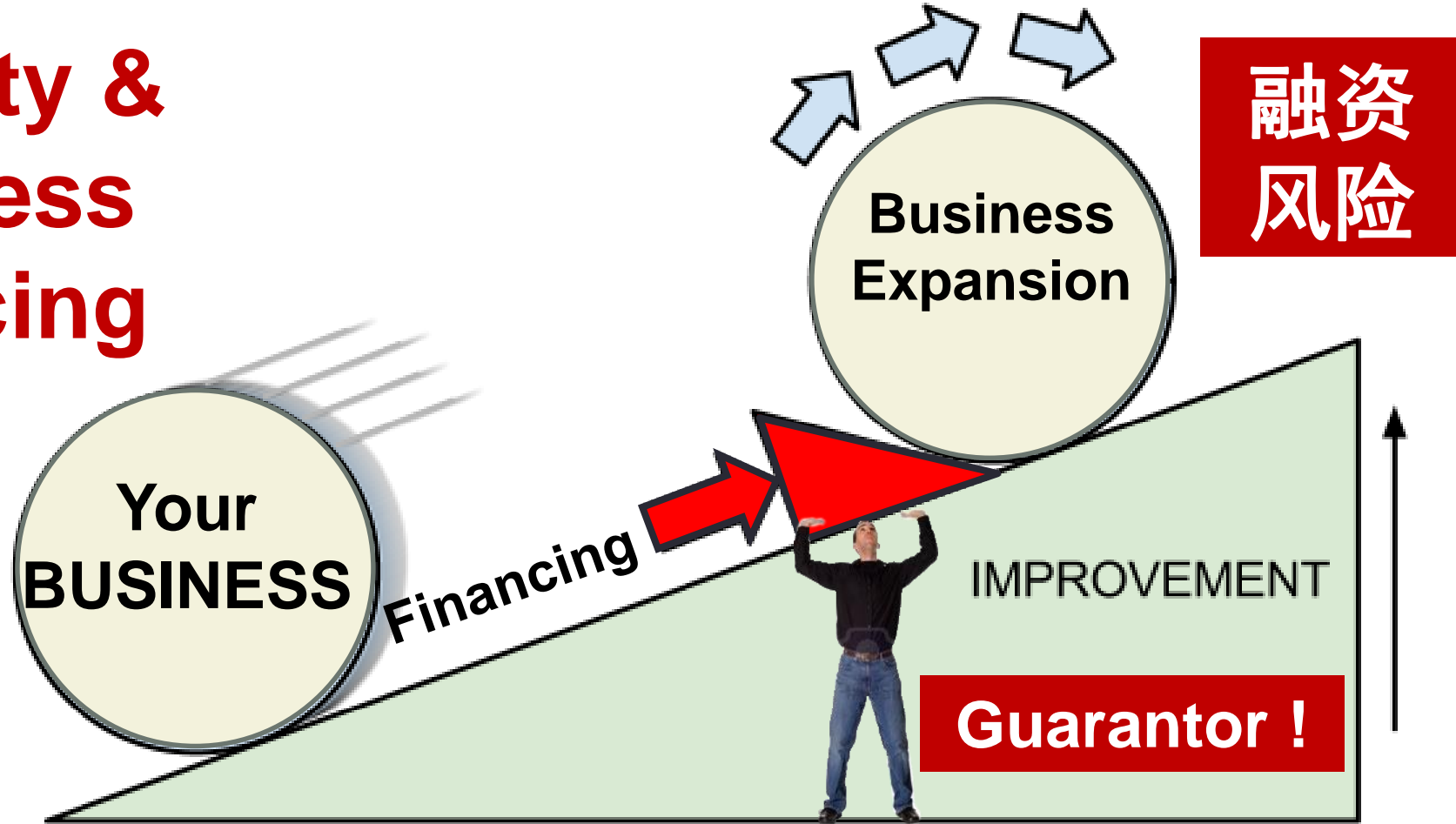
Tangible Asset



Intangible Asset

Business Asset Protection Account **(BAPA)**

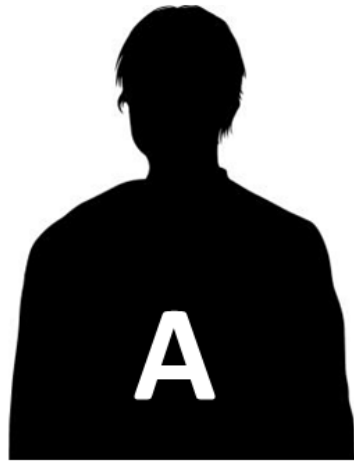
Property & Business Financing



**You are YOUR BUSINESS
GUARANTOR!**

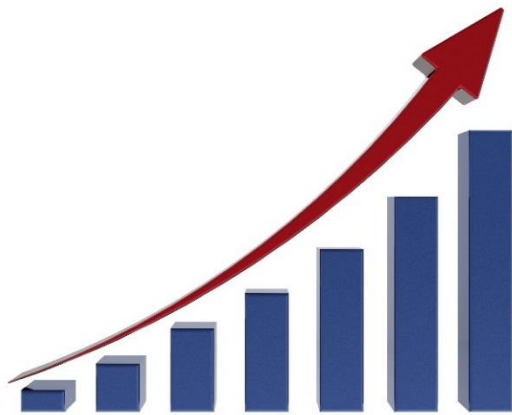
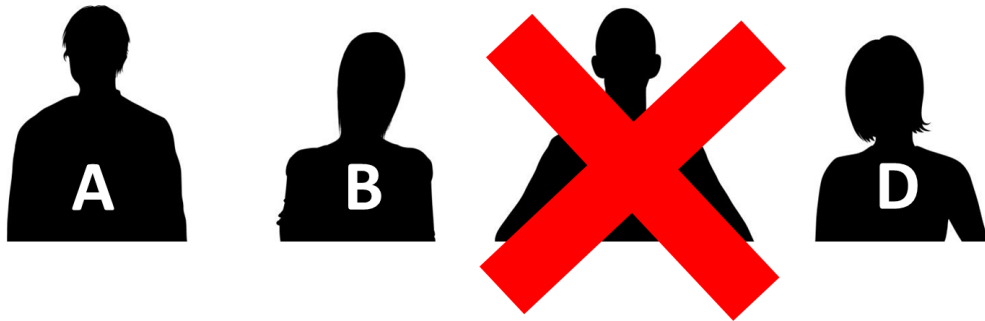
Business Partners / Shareholders

生意伙伴 / 股东



Business Owners

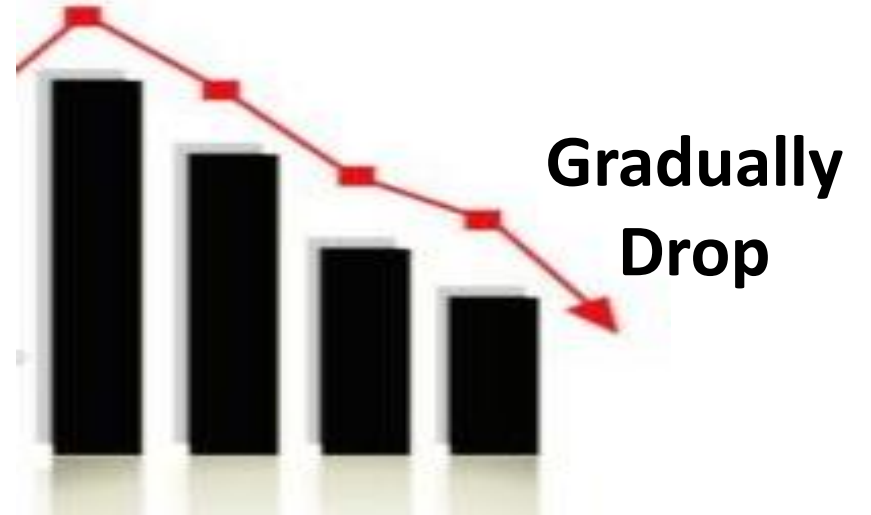
生意伙伴 / 股东



1



2



3



What if things were to happen to the Key Person ?

如有不幸发生在首要人物怎么办？

- Outstanding debt?
- Personal Guarantees
- Revise of Bank Facility?
- Sales Affected?
- Account Receivable affected?
- Continue repayment?
- Cash flow issue?
- etc....

Total Risk Exposure

Existing Company Debt : **RM ? Million**

Personal Guarantees: **RM ? Million**

Cash Flow needs: **RM ? Million**

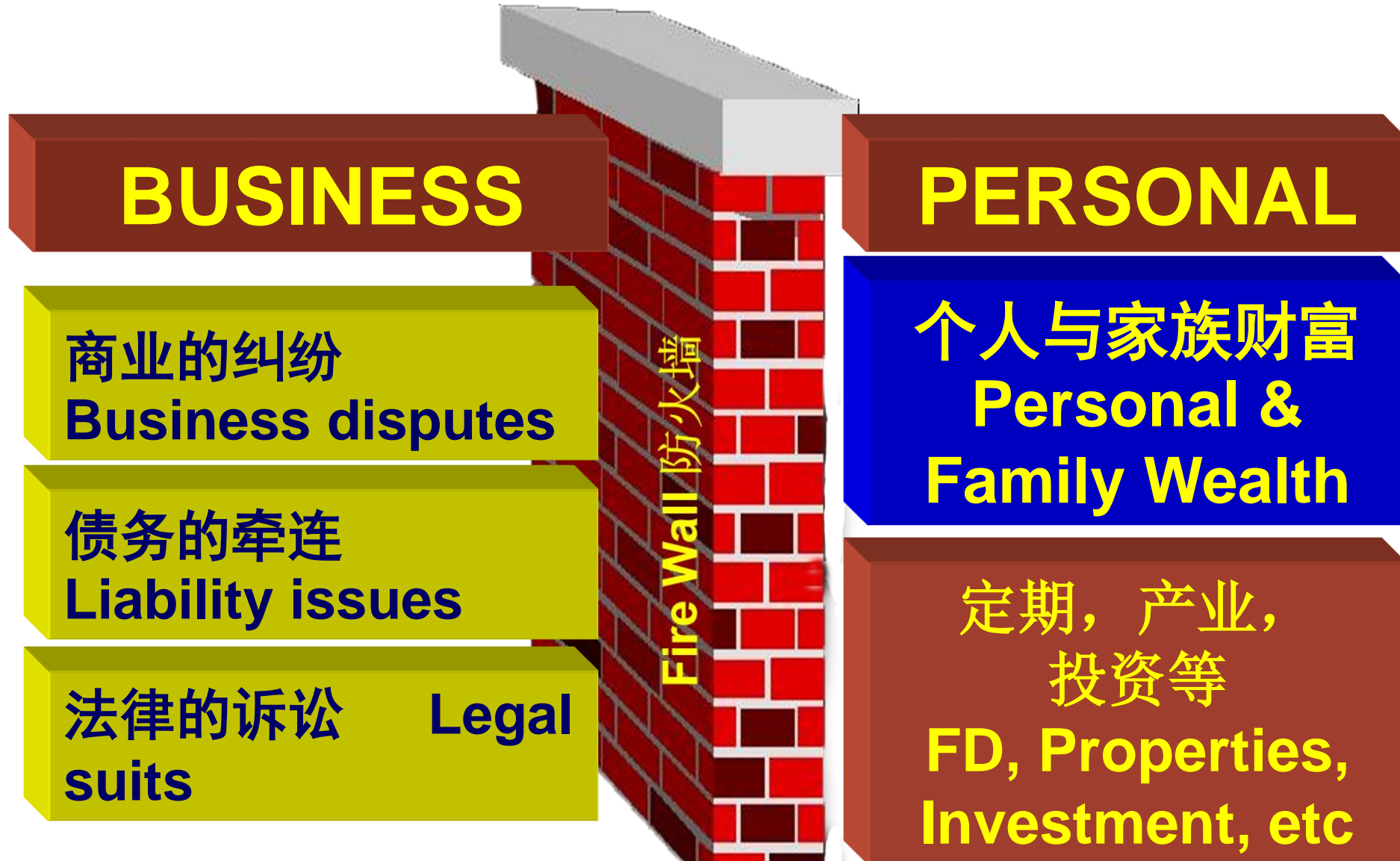
Why **BAPA**?

1. If die, able to **settle** outstanding company loan
2. Relief the **burden and responsibility** of the survival partners (Protection)
3. Hands on **Liquidity** (claim in 14 days unless complexity) – Liquid Cash for company cash flow, liquidity standby, etc
4. Replacement **cost** on hiring position & to hedge for the drops in Revenue
5. No need to use **own financial** resources to settle loan (which is RM1: RM1)
6. Economical way to solve problem (**leverage** on insurance)
7. Money not easy to **earn** (yearly profit turns to balance sheet)
8. Get it while **Young** (still within insurable age), Get it while company still sustainable in **Earnings**, Get it since you are still **Healthy** (generally health will deteriorate)
9. You are Compulsory **Expose to Risk** upon signing the LO (Letter Offer)
10. For BUMI clients, **HIBAH** is the solution (Syariah Compliance & avoid Faraid)

BAPA – Business Asset Protection Account

Option	1	2	3
Debt Cancellation	✓	✓	✓
Company Cash Flow		✓	✓
Financial Security			✓
Secure of Business Value			✓

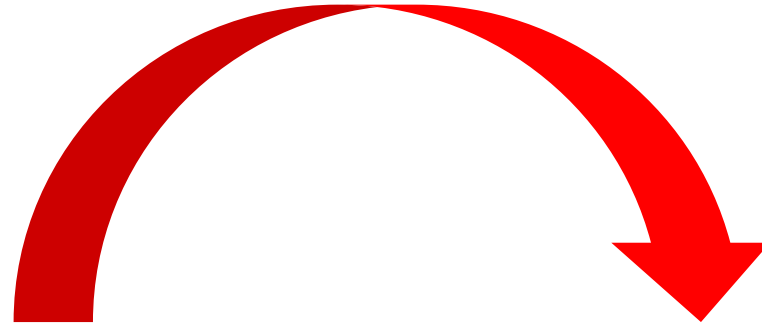
SOLUTION FOR BUSINESS OWNER



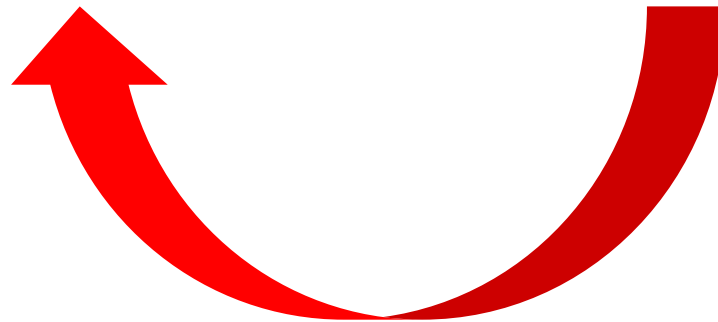


健康就是财富
Health is Asset

巩固自己的财务
Strengthen your financial status



善用财富
Wealth Maximization



抵押给保险公司
As a collateral to Insurer



换取足够的保额
exchange for a Sum Assured

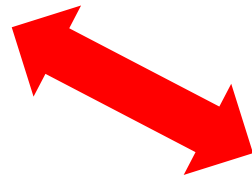


什么是贵？ What does it mean by Expensive?

价值 **1百万** 的商品
An item worth 1Mil

因为**没规划**所以
Because of NO Planning

1块 对 1块
A dollar to a dollar !



用 **2百万** 来买，贵吗？
Use 2Mil to buy it. Expensive?

贵！ Expensive !

用 **1百万** 来买，贵吗？
Use 1Mil to buy it. Expensive?

公平 FAIR

用 **500千** 来买，贵吗？
Use 500K to buy it. Expensive?

感觉还好 Looks Good

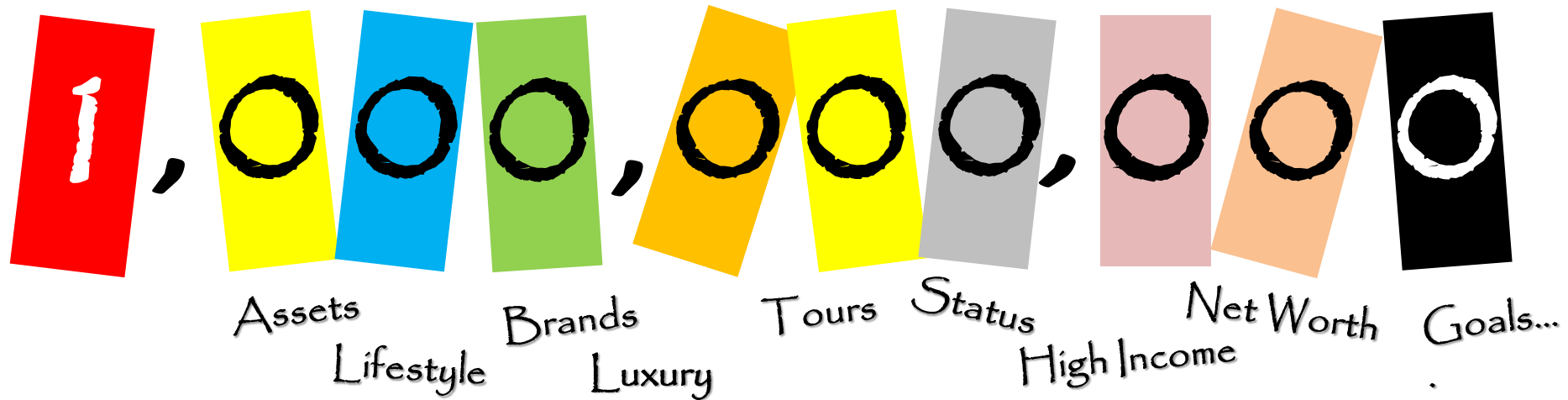
用 **80千** 来买，贵吗？
Use 80K to buy it. Expensive?

便宜呀！ Cheap!

用 **12千** 就买到，如何？
Use 12K to buy it. How?

真的吗？ Really?

1,000,000,000 Billion Approach



Don't **FORGET**, without the **1** in front, all the **ZERO** behind means **NOTHING!**

Do you have a **PROPER** Planning for yourself? Let's review.....

I am a Mortgage Adviser
我是一位【**房贷规划师**】

Who Am I ?



提供最完善的
房屋**贷款**

Provide the Most
Effective Loan



处理房贷引起
的财务**风险**

Address the Risk
Derived from the Loan



检阅客户原有财务规划，
提供专业服务

Review Your Existing Financial Plan
with our Professional Services

Thank You

