
NEWS RELEASE

Another First In The Market From United Overseas Bank, A Home Loan That Offers Borrowers 0% Interest On Mortgage Overdrafts Plus 0% Interest On Bridging Loans

Singapore, 3 November 2003 - United Overseas Bank Limited (UOB) is pleased to introduce yet another first in the home loan market. From tomorrow, 4 November 2003, UOB's Home Loan packages come with the promotional UOB FirstZero Mortgage Overdraft and UOB FirstZero Bridging Loan, the first of its kind in the market in Singapore.

With the **UOB FirstZero Mortgage Overdraft**, a customer pays no interest on his mortgage overdraft for the first year. With zero interest, the customer thus enjoys the flexibility and convenience to pay off the outstanding amount at his own pace with no extra costs and penalties in the first year.

After the first year, the mortgage overdraft will be converted into a term loan of up to 10 years and enjoy the same low rates as prevailing UOB Home Loan interest rates. The UOB FirstZero Mortgage Overdraft is ideal for the customer who wishes to repay his loan faster with cash. The combination of a UOB Home Loan and UOB FirstZero Mortgage Overdraft gives the customer a total value package that can save him more than S\$50,000 in interest payments [[Please refer to Illustration \(A\)](#)].

However, for the customer who prefers a longer loan tenure and wishes to service his loan fully with CPF funds, he can still opt to take up any of the Bank's existing Home Loan packages which continue to offer highly competitive rates.

With the **UOB FirstZero Bridging Loan**, a customer pays no interest on the down payment for his new home for up to six months. With zero interest, the customer enjoys total peace of mind when it comes to making a financial commitment on his new home and while waiting for the sales proceeds from his existing home to pay off the bridging loan. This convenient arrangement can save him up to S\$9,000 in interest payments [\[Please refer to Illustration \(B\)\]](#).

Said Ms Sim Puay Suang, Executive Vice President, Personal Financial Services, "The launch of the innovative UOB FirstZero Mortgage Loan and UOB FirstZero Bridging Loan follows the recent success of our groundbreaking UOB FirstZero Home Loan. Both products provide our customers with flexibility, convenience and significant savings on their interest payments. This is in line with our commitment to provide our customers with the best value for all their financial needs which will, in turn, help them to grow their savings and wealth."

The benefits of the UOB FirstZero Mortgage Overdraft and UOB FirstZero Bridging Loan are illustrated as follows:

(A) Total Interest Savings With UOB FirstZero Mortgage Overdraft: S\$50,768

	UOB FirstZero Mortgage Overdraft ^					Standard UOB Home Loan Package	
	Home Loan (HL) S\$700,000		Overdraft (OD)^		Total Interest Payment (HL+OD) (S\$)	Home Loan S\$1,000,000	
Year(s)	Interest (% p.a.)	Yearly Interest Payment (S\$)	Interest (% p.a.)	Yearly Interest Payment (S\$)			Interest (% p.a.)
1	1.5 (Fixed)	10,293	0	0	10,293	1.5 (Fixed)	14,704
2	3 (Fixed)	19,725	1.5	4,308	24,033	3 (Fixed)	28,179
3 - 11	3	137,617	3	38,388	176,005	3	196,596
12 - 20	3	50,447	0	0	50,447	3	72,067
Total		218,082		42,696	260,778		311,546

* Loan amount of S\$1,000,000 is split into a Home Loan of S\$700,000 and an Overdraft Line (OD) of S\$300,000. OD must be secured against a private residential property. Not applicable to HDB Home Loans.

^ OD should not exceed 30% of the overall loan amount and is capped at S\$300,000. OD will be converted to a 10-year loan at prevailing UOB Home Loan interest rates in the second year.

(B) Total Interest Savings with UOB FirstZero Bridging Loan: S\$9,000

Period	UOB FirstZero Bridging Loan	Total Interest Savings
6 months	S\$300,000	S\$9,000 †

† Interest savings on Bridging Loan of S\$300,000 over prevailing rate of 6% p.a. over 6 months: $S\$300,000 \times 6\% \text{ p.a.} \times 6/12 = S\$9,000$. Applicable to Private Residential Home Loans and HDB Home Loans. Bridging loan is capped at S\$300,000.

A combination of the UOB FirstZero Mortgage Overdraft and UOB FirstZero Bridging Loan can thus achieve a **total savings of (A)+(B)= S\$59,768**.

In addition to attractive interest savings, UOB Home Loan customers also enjoy the following **exclusive benefits for a total home solution**:

- Free home fire insurance for the first year
- Free processing
- Free valuation
- Preferential rates for UOB Renovation and Construction Loans
- UOB 1.2.1 Banking privileges including annual fee waiver for the UOB Gold Credit Card and priority queues at UOB Group branches
- Under UOB Rewards Plus, the Bank's customer loyalty programme, UOB Home Loan customers will earn UNI\$1 for every S\$10,000 outstanding on their home loans. Customers will be able to accumulate and redeem their UNI\$ for a wide range of exclusive rewards, including shopping and dining for free.

For more information, customers can call 1800 22 22 121 (24-hour). To apply, they can do so online at www.uobgroup.com or visit a UOB Personal Banker at any UOB Group branch.

For more information, please contact:

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