



UNIVERSITI TEKNOLOGI MARA

A STUDY ON FACTORS INFLUENCING GOVERNMENT SERVANTS WHEN CHOOSING FINANCIAL INSTITUTIONS

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Signature: _____

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1.0 INTRODUCTION

1.1 Background of study

Recently in July 2013, Bank Negara Malaysia (BNM) has implement a set of measures effective immediately in order to curb rising level of household indebtedness and reinforcing responsible lending practices by key credit providers. The governor of Bank Negara Malaysia, Tan Sri Dr. Zeti Akhtar Aziz stated the measures were reducing the maximum tenure of personal loans to 10 years and properties financing to 35 years. Thus, lead to the spike of loan application in Malaysia where household are rushing for applying loan with longer loan tenure. This study is conduct to focus on financial loan made by government servant in Kota Kinabalu. The aim is to determine how government servant chooses their financial institution. However, the study will only focus on government servants with lower class income range. This study is also a part of requirement needed to complete Bachelor of Business Administration with Honors (Marketing).

CHAPTER ONE

On 6th of July 2013, Bank Negara of Malaysia has released a

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press statement regarding the implementation of set of measures to curb and avoiding excessive household debts and reinforcing responsible lending practices by key credit providers. The measures are:

1.0 INTRODUCTION

1.1 Background of study

1. Maximum tenure of 10 years for financing extended for personal

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just only two months of period since the firm is one of few that are still offering the maximum loan tenure of 25 years after the 10 years maximum loan tenure implementation announced by BNM. The ability to offer longer loan tenure give Sabah Credit Corporation big advantage over other financial institution in term of giving personal loan to applicants. This has encouraged people to apply at Sabah Credit