Annex – Illustrations

Scenario 1

- A borrower obtained a loan with a principal amount of $1,000. After 10% loan approval fee (i.e. $100) deducted upfront, he receives $900 from the LML.
- The borrower decides to cancel this loan within the cooling-off period.
- The borrower would have to repay up to $950:

$900 (that he received) + $50 (maximum amount of the loan approval fee which the LML is allowed to retain)

Scenario 2

- A borrower obtained a loan with a principal amount of $10,000. After 2% loan approval fee (i.e. $200) deducted upfront, he receives $9,800 from the LML.
- The borrower decides to cancel this loan within the cooling-off period.
- The borrower would have to repay up to $10,000:

$9,800 (that he received) + $200 (maximum amount of the loan approval fee which the LML is allowed to retain)