FAQS ON REVISED CREDIT CARD AND UNSECURED CREDIT RULES

With effect from 1 December 2013	
Financial Institutions (FIs) to conduct credit bureau and income checks before increasing credit limits.	
1.	**What does a credit bureau check involve?** The FI will obtain the borrower's credit-related information from a credit bureau, namely Credit Bureau (Singapore) Pte Limited or DP Credit Bureau Pte Ltd. This includes information on the borrower's monthly repayment behaviour, and whether he has defaulted on payments or has declared bankruptcy in the past. With effect from June 2014, the FI will also obtain information on the borrower's outstanding debt and credit limits across all FIs from the credit bureau(s).[1]
2.	**Why must another credit bureau and income check be conducted before a borrower's credit limit can be increased? Have these checks not already been conducted when the borrower first applied for his credit card or unsecured credit facility?** A borrower's income and overall indebtedness may have changed since he first applied for the credit card or unsecured credit facility. Thus, the FI should conduct a fresh credit assessment before increasing the borrower's credit limit. The income and credit bureau checks will aid the FI in this assessment. The documents used for the income checks must not be dated more than 3 months prior to the request for an increase. If the FI finds that the borrower's income has fallen and/or his credit-worthiness has deteriorated since the credit card or unsecured credit facility was issued or granted, the FI may choose to decline his application for a credit limit increase and reassess the borrower's existing credit limits.[2]
3.	**Must a fresh <u>income</u> check be conducted before the credit limit of a borrower, who was granted a credit card or unsecured credit facility on the basis that he has an annual income of at least S$120,000 or net personal assets exceeding S$2 million, can be increased?** Yes. Alternatively, in place of income documents, the borrower can provide documents[3] evidencing that his net personal assets exceed S$2 million. A credit bureau check is also required before his credit limit can be increased.

[1] See question 15 for information on how a borrower's aggregate credit limits and debt across all FIs are computed.

[2] Where the income check reveals that the borrower's income has fallen such that he no longer qualifies for the credit limit granted to him, the FI is required to reduce the credit limit granted such that the revised credit limit is within the regulatory limit of not more than (i) 4 months' income for a borrower with an annual income of at least S$30,000 but less than S$120,000; and (ii) 2 months' income for a borrower with an annual income of less than S$30,000. In addition, the FI should not extend further credit until the borrower's total outstanding unsecured amount falls below the regulatory credit limit.

[3] These must be dated within 3 months from the date his credit limit is to be increased.

4.	**Must an FI conduct a fresh income and credit bureau check before issuing an additional credit card to a borrower who already holds a credit card from the same FI?** No, if the additional credit card shares the credit limit of the existing credit card, and the borrower's aggregate credit limit is not increased. However, a fresh income and credit bureau check will have to be conducted if the additional credit card results in an increase in the borrower's aggregate credit limit.
FIs to conduct credit bureau and income checks upon receiving information that casts doubt on their borrowers' credit-worthiness.	
5.	**Must an FI conduct the checks upon receiving information from *any person*?** Yes. This rule requires the FI to conduct a fresh income and credit bureau check upon receiving information from *any person* that casts doubt on the credit-worthiness of a borrower. For example, an alert could be raised by a family member or credit counsellor of a borrower in debt distress. To facilitate the FI's follow-up, the FI may request the informant to identify himself and to provide sufficient information (e.g. identification number of the borrower) for the FI to identify the borrower. If requested by the informant, the FI will undertake to keep the informant's identity confidential.
6.	**What must the FI do after conducting the income and credit bureau check?** If the income check reveals that the borrower's income has fallen, such that he no longer qualifies for the credit limit granted to him, the FI is required to reduce the credit limit granted to the relevant regulatory limit.[4] In addition, the FI should not extend further credit until the borrower's total outstanding unsecured amount with the FI falls below the regulatory credit limit.
7.	**If a borrower is flagged by a third party or his family member as having debt problems, why doesn't MAS require the FI to immediately suspend his access to further credit?** As some complaints could be malicious and/or unfounded, it would be more appropriate to allow the FI to investigate the complaint by conducting fresh income and credit bureau checks. This will enable the FI to take appropriate measures based on an updated assessment of the borrower's credit-worthiness.
8.	**Why doesn't MAS set up a 'blacklist' for or ban borrowers who are flagged by third parties or their family members as having debt problems?** As some complaints could be malicious and/or unfounded, it would be appropriate to investigate these alerts rather than automatically 'blacklist' or ban the borrowers from obtaining credit. This will enable the FI to take appropriate measures based on an updated assessment of the borrower's credit-worthiness.

[4] The regulatory credit limit is 4 months' income for a borrower with an annual income of at least S$30,000 but less than S$120,000, and 2 months' income for a borrower with an annual income of below S$30,000.

FIs to be allowed to issue credit cards to individuals above 55 years of age who meet any one of the following criteria: ***(a) annual income of at least S$15,000;*** ***(b) total net personal assets exceeding S$750,000[5];*** ***(c) guarantor with annual income of at least S$30,000.[6]***	
9.	**Why is MAS allowing individuals above 55 years old to obtain credit cards based on assets and guarantees?** Prior to Dec 2013, individuals above 55 years old needed to have annual incomes of at least S$15,000 to qualify for credit cards. However, this requirement posed difficulties for retirees who did not meet the minimum income criterion, even though they were financially secure. In recognition that credit cards are a convenient payment alternative, and to better cater to the transactional needs of retirees, MAS has provided more alternatives (i.e. (b) and (c)) for retirees to qualify for credit cards. To balance this against the overall social objective of protecting individuals from spending beyond their means, this increased flexibility is limited to financially secure retirees who meet at least one of the qualifying criteria mentioned above. Regulatory credit limits are also in place to ensure that retirees do not borrow beyond their means. Where a card is issued to a retiree based on his income or net personal assets (i.e. (a) or (b)), the regulatory credit limit is 2 months' income if he has an annual income of less than S$30,000, and 4 months' income if he has an annual income of at least S$30,000 but less than S$120,000. Income can include non-employment income such as rental income. Where a card is issued to a retiree on the basis that he has a guarantor with an annual income of at least S$30,000, the maximum credit limit of the guaranteed card is based on the guarantor's income.
10.	**What is the maximum credit limit that can be granted to an individual above 55 years old who has applied for a credit card based on him holding net personal assets of at least S$750,000? Is the individual's income taken into account in determining the credit limit?** In general, if an individual's net personal assets do not exceed S$2 million, an FI is required to take into account the individual's income in determining the maximum credit limit that can be granted. Income can include non-employment income such as rental income. The table below summarises the relevant regulatory credit limits. Table: Regulatory Credit Limits for Individuals above 55 years old

[5] The term "net personal assets" refers to the total value of the individual's assets less his liabilities. Assets should be substantiated by documents provided by the borrower. In addition, lenders should take reasonable steps to ascertain the liabilities of the borrower, including by obtaining a written declaration from the borrower.
[6] A guarantor who is a Singapore citizen or permanent resident is required to have an annual income of at least S$30,000.

Net Personal Assets	Annual Income	Regulatory Credit Limit of Unsecured Credit Cards
≥ S$750,000 to ≤ S$2m	< S$30,000	2 months' income
	≥ S$30,000 to < S$120,000	4 months' income
	≥ S$120,000	No regulatory limit
> S$2m	Any	No regulatory limit

Apart from unsecured credit cards, individuals can also consider alternative convenient payment instruments such as secured credit cards and debit cards. Secured credit cards are cards secured on deposits of at least S$10,000 while debit cards are payment cards which deduct amounts charged directly from the individuals' bank accounts.

Unsecured loans (e.g. business loans, renovation loans, medical loans, education loans) that were previously exempted from unsecured credit rules will be subject to all the rules, except:
(a) the minimum income eligibility criteria;
(b) the regulatory credit limits applicable for each FI;
(c) the borrowing limit; and
(d) the 60 days past due rule

11. **Which unsecured loans were previously exempted from the unsecured credit rules?**

Education, business, medical and renovation loans were previously exempted from the unsecured credit rules.[7]

12. **Why has MAS extended the unsecured credit rules to unsecured loans that were previously exempted?**

The unsecured credit rules provide important safeguards for borrowers. Therefore, they should cover all unsecured loans. For instance, by requiring FIs to disclose the relevant finance and late payment charges for unsecured loans that were previously exempted, borrowers will be able to make more informed decisions in relation to such loans.

However, MAS will continue to exempt education, business, medical and renovation loans from the minimum income eligibility criteria[8], per-FI regulatory credit limits,[9] the industry-wide borrowing limit,[10] and the 60 days past due rule.[11]

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[7] Please see paragraph 7(1) of MAS Notice 635 on "Unsecured Credit Facilities to Individuals" dated 29 November 2013 for the full list of unsecured loans which were previously exempted from the unsecured credit rules.

[8] Borrowers are generally required to have an annual income of at least S$20,000 to qualify for an unsecured credit facility from an FI. This rule will not apply to education, business, medical and renovation loans.

[9] The maximum credit limit that an FI can grant to a borrower is generally 4 months' income for borrowers with annual incomes of at least S$30,000 but less than S$120,000, and 2 months' income for borrowers with annual incomes of less than S$30,000. This will not apply to education, business, medical and renovation loans.

[10] With effect from 1 June 2015, FIs will not be allowed to grant further unsecured credit to borrowers whose aggregate unsecured debt across all FIs exceeds 24 times their monthly incomes for 3 months or more. This will not apply to education, business, medical, and renovation loans. The industry-wide borrowing limit will be

With effect from 1 June 2014	
FIs to review borrowers' aggregate credit limits and outstanding debts in credit bureau checks.	
13.	**In what circumstances are FIs required to conduct credit bureau checks?** FIs are required to conduct credit bureau checks in the following circumstances: (a) before granting a new credit card or unsecured credit facility; (b) before granting a credit limit increase; (c) after receiving information that casts doubts on a borrower's credit-worthiness; (d) before reinstating a borrower's access to credit cards and unsecured credit facilities that were suspended when the borrower became 60 days past due (see question 39); and (e) before reinstating a borrower's access to credit cards and unsecured credit facilities that were suspended when his total unsecured debt across FIs exceeded 12 times his monthly income for a period of 3 months (see question 31).
14.	**Why is MAS requiring FIs to review a borrower's aggregate credit limits and outstanding debt?** Information on a borrower's outstanding debt and credit limits across all FIs will enable FIs to better assess whether the borrower is at risk of borrowing beyond his means. After reviewing the borrower's aggregate outstanding debt and credit limits, FIs may, at their discretion, decide not to issue new credit cards or unsecured credit facilities, decline applications for credit limit increases, or adjust existing credit facilities. Before adjustments are made to existing credit facilities, FIs are encouraged to contact the borrower to allow him the opportunity to provide additional information on his financial status, such as updated income documentation.
15.	**How are a borrower's aggregate credit limits and outstanding debt computed?** The credit bureaus will add up the credit limits and outstanding debt across all the credit facilities reported by their members (i.e. banks, finance companies and card issuers) to derive each borrower's aggregate credit limits and aggregate outstanding debt, respectively, for secured and unsecured credit facilities. More detailed and updated explanations on the enhanced credit information in the credit reports issued to consumers are available on the websites of Credit Bureau (Singapore) Pte Limited at www.creditbureau.com.sg and DP Credit Bureau Pte Ltd at

lowered to 18 times monthly income with effect from 1 June 2017 and 12 times monthly income with effect from 1 June 2019. Please see questions 25 to 32 for more information on the industry-wide borrowing limit.

[11] With effect from 1 June 2015, FIs will not be allowed to grant further unsecured credit to borrowers who are 60 days past due on any credit card or unsecured credit facility extended by the FI. Other FIs will also not be allowed to grant credit limit increases, or issue new credit cards or unsecured credit facilities to such borrowers. Please see questions 33 to 39 for more information on the 60 days past due rule.

	www.dpcreditbureau.sg.
16.	**How can a borrower access his credit bureau reports, and how should he interpret the reports?** A borrower can obtain a copy of his credit bureau report from the credit bureaus directly. Steps on how to obtain credit bureau reports and how to interpret them are available at the respective websites of Credit Bureau (Singapore) Pte Limited at www.creditbureau.com.sg and DP Credit Bureau Pte Ltd at www.dpcreditbureau.sg.
17.	**How can a borrower verify, or correct inaccuracies in, his aggregate credit limits and outstanding debt?** A borrower can obtain a copy of his credit bureau report from the credit bureaus. He can then verify the credit limits and outstanding debt in his credit report by checking these against his monthly statements. Where monthly statements are not issued, the borrower may contact his FI directly or check his online banking accounts. If a borrower disagrees with any information in his credit report, he should write to the credit bureau to seek clarification. The credit bureau will: (a) consult the member of the credit bureau that provided the disputed information; (b) post a notice in the borrower's credit file with the credit bureau that the information is disputed and under investigation; and (c) inform the borrower of the progress and outcome of its investigation. If the borrower's credit report is rectified following the investigation, the revised report will be sent to all members of the credit bureau who made enquiries on the borrower in the past 3 months. For more information, please refer to the websites of Credit Bureau (Singapore) Pte Limited at www.creditbureau.com.sg and DP Credit Bureau at www.dpcreditbureau.sg.
FIs to either: (a) ask borrowers what their preferred credit limits are; or (b) obtain borrowers' consent for the amounts of the credit limits to be granted.	
18.	**What is the purpose of this rule?** This rule enables a borrower to request a credit limit that he is comfortable with when he is applying for a new credit card or unsecured credit facility, or when asking for a credit limit increase. Some borrowers have given feedback that they would prefer to have lower credit limits to better control their expenditure or for security reasons.
19.	**Wouldn't it be easier for the FI to assign a credit limit and for the borrower to subsequently request for a lower credit limit?** Some borrowers find it difficult or inconvenient to have to request subsequent reductions in

	their credit limits. Through the new measures, MAS aims to empower borrowers with greater control over their unsecured credit facilities at the point of application and to save them the inconvenience of having to request to lower their credit limits subsequently.
20.	**Will borrowers always be granted their preferred credit limits?** No. Credit limits are subject to the FIs' internal credit assessments and the regulatory credit limits of not more than 4 months' income for borrowers with annual incomes of at least S$30,000 but less than S$120,000, and not more than 2 months' income for borrowers with annual incomes of less than S$30,000.
With effect from 1 June 2015	
FIs to disclose to borrowers: ***(a) the total amount and time needed to fully pay off their debts if they pay only the minimum payment each month; and*** ***(b) the amount of debt that would accumulate by the end of 6 months if they make no payments in the next 6 months.***	
21.	**Who will receive this disclosure statement?** Borrowers who have not paid their prior month's bills for credit card and revolving unsecured credit facilities in full will receive the disclosure statement.
22.	**Why is this only disclosed to borrowers who have not paid their unsecured debts in full in the prior month?** The customised disclosures are less meaningful for the vast majority of borrowers who repay their credit card bills in full. As such customised disclosures entail costs, MAS requires them to be provided only to borrowers who are at risk of incurring substantial borrowing costs.
23.	**What is the purpose of sending borrowers the disclosure statements?** The disclosure is intended to make the costs of borrowing more apparent to borrowers. It illustrates how debt will accumulate if borrowers do not pay their monthly bills for credit cards or revolving unsecured credit facilities in full.[12]Ap
24.	**What should borrowers do with the information in the disclosure statement?** Borrowers should take note of how their debts will accumulate if not paid fully on time, and thus make informed decisions on repaying their outstanding debts.

[12] For avoidance of doubt, the disclosure statement does not alter a borrower's repayment obligations in any way. The borrower remains subject to the terms and conditions that have been agreed with his FIs in relation to his credit cards and unsecured credit facilities. The 6-months period illustrates how the amount outstanding will accumulate if no payment is made over the next 6 months.

FIs disallowed from granting further unsecured credit to borrowers whose outstanding interest-bearing unsecured debt aggregated across FIs exceed the borrowing limit as specified by MAS for 3 consecutive months or more ("borrowing limit"). The borrowing limit is: ***(a) 24 times monthly income with effect from 1 June 2015;*** ***(b) 18 times monthly income with effect from 1 June 2017; and*** ***(c) 12 times monthly income with effect from 1 June 2019.***	
25.	**Why is MAS setting a limit on a borrower's credit card and unsecured borrowings, aggregated across FIs?** The borrowing limit aims to help individuals avoid accumulating excessive debt. An aggregate limit across FIs achieves this objective more effectively than the current limit placed on each FI. With the limit on aggregate credit card and unsecured borrowings, FIs will not be allowed to grant further credit to a borrower if his aggregate interest-bearing unsecured debt across FIs exceeds the borrowing limit for 3 consecutive months. The limit will be phased in over four years: - 24 times monthly income from 1 June 2015 - 18 times monthly income from 1 June 2017 - 12 times monthly income from 1 June 2019. The gradual reduction of the limit provides borrowers with more time to adjust and manage their debt levels. Notwithstanding the regulatory limit, FIs have commercial discretion to decide on their credit policies, including tighter borrowing limits.
26.	**How is a borrower's aggregate outstanding debt computed for the purpose of this rule?** FIs are required to take only a borrower's <u>interest-bearing</u> unsecured debt into account for the purpose of this rule. Interest-bearing unsecured debt includes amounts rolled over on credit cards (i.e. amounts that are not repaid in full by the due date) and outstanding amounts on unsecured loans that accrue interest. Amounts charged to credit cards that are fully repaid by their due dates typically do not attract interest, and do not have to be taken into consideration for the purpose of this rule. Likewise, amounts outstanding on interest-free instalment plans that do not attract interest do not have to be taken into consideration. However, if interest is imposed on a particular instalment, for example due to late payment, this instalment amount will have to be included in the borrower's aggregate unsecured debt
27.	**How can a borrower determine his unsecured debt, aggregated across FIs?** From 1 April 2015, the credit bureau report will split the unsecured debt into interest-

	bearing and non-interest bearing debt. Only interest-bearing unsecured debt will be taken into account for the purpose of the borrowing limit. For more information on the credit reports, please see question 15. For more information on how to obtain a credit report, please refer to the websites of Credit Bureau (Singapore) Pte Limited at www.creditbureau.com.sg and DP Credit Bureau Pte Ltd at www.dpcreditbureau.sg.
28.	**How is a borrower's income determined?** FIs have the flexibility to decide on the income records to use, based on their internal credit assessment policy. Aside from employment income (e.g. salary and bonuses), FIs may also factor in non-employment income (e.g. rental income) when determining a borrower's income.
29.	**Why do different FIs have different income information and records?** Different FIs may have different income records of a single borrower if the borrower had provided his income documents to the FIs at different points in time. For example, an FI that had obtained income documents from the borrower when he first started work may have a lower level of income in its records, as compared to another FI that had obtained income documents from the same borrower after he had worked for several years. This is why we encourage borrowers to update their income records with FIs, so as to avoid inadvertent suspension of their credit facilities as a result of outdated income information.
30.	**Why has MAS set the final borrowing limit at 12 times a borrower's monthly income?** As this is the first time that such an industry-wide borrowing limit is being introduced, MAS will be phasing in the limit over four years with a higher limit of 24 times monthly income at the start. This will give borrowers and FIs more time to adjust to the new rule. The final limit of 12 times a borrower's monthly income is not intended to be representative of a prudent level of unsecured debt. Most borrowers should aim to stay below the 12 times monthly income limit. As unsecured borrowings typically attract high interest costs, it is not financially prudent for a borrower to accumulate significant credit card and unsecured debt over prolonged periods of time. MAS will continue to monitor the situation closely and make adjustments if necessary.
31.	**When can FIs lift the suspension imposed on credit cards and unsecured credit facilities (as a result of the borrowing limit)?** A suspension can be lifted only after – (i) the borrower reduces his aggregate interest-bearing unsecured debt to less than the prevailing borrowing limit; and (ii) after the FIs have conducted fresh credit bureau and income checks on the borrower.

	FIs also have the additional discretion to lift the suspension and issue new facilities to consolidate and refinance the borrower's existing debts[13] with other FIs. FIs will also be permitted to exceed the regulatory credit limits as part of such debt consolidation[14]. These concessions are to enable the borrower to benefit from refinancing debt at lower interest rates by consolidating his debt with one FI.
32.	**Is there any flexibility granted to borrowers whose aggregate unsecured interest-bearing already exceed 12 times their monthly income, before the borrowing limit is implemented on 1 June 2015?** The borrowing limit is phased in over 4 years. This is to provide borrowers more time to adjust to the limit. In addition, FIs will have the flexibility not to suspend credit for a borrower whose interest-bearing unsecured debt already exceeds 12 times his monthly income before 1 June 2015. This flexibility is for a transition period up to end-May 2019. FIs may do so to these borrowers on an exceptional and case-by-case basis, subject to their own credit assessment. If, on 1 June 2019, the borrower's aggregate unsecured debt still exceeds 12 times his monthly income for 3 months or more, FIs must then suspend his unsecured credit cards and unsecured credit facilities.
FIs disallowed from granting further unsecured credit to borrowers who are 60 days past due on any credit card or unsecured credit facility extended by the FI. Other FIs will also not be allowed to grant credit limit increases, or issue new credit cards or unsecured credit facilities, to such borrowers ("60 days past due rule").	
33.	**Why is MAS prohibiting the grant of further unsecured credit to a borrower whose debt with an FI is 60 days past due? Is this too strict?** This is to help prevent debt from spiralling upwards for a borrower who has problems repaying even the minimum payments on his existing debts. MAS' restriction applies only 60 days after the minimum payment due date. This provides a borrower time to make good on his minimum payments. If a borrower is unable to pay even the minimum payment within this time, it is a signal that his level of debt is unsustainable. The restriction does not apply to unsecured loans for medical treatment, education and business.[15]

[13] FIs can lift the suspension only for debt transferred from other FIs, but will not be allowed to extend further fresh credit.

[14] The regulatory limits are 4 months' income for borrowers with annual incomes of at least S$30,000 but less than S$120,000, and 2 months' income for borrowers with annual incomes of below S$30,000.

[15] Please see paragraph 7(1) of MAS Notice 635 on "Unsecured Credit Facilities to Individuals" dated 29 November 2013 or regulation 6(9) of the Banking (Credit Card and Charge Card) Regulations issued on 29 November 2013 for the full list of loans that such borrowers are allowed to take.

	In addition, FIs are allowed to reinstate the suspended credit lines when the borrower repays the minimum payments due, and after conducting fresh income and credit bureau checks. The borrower does not have to repay all his outstanding debts fully before his credit lines can be reinstated.
34.	**What does being "past due" mean?** For credit cards and revolving unsecured credit lines, FIs typically treat an account as past due if the minimum payment is not received by the specified due date. Non-revolving unsecured credit lines (e.g. term loans) are generally considered to be past due if any instalment amount due is not paid by its due date.
35.	**How will an FI determine if a borrower has debts that are 60 days or more past due?** An FI can determine the number of days for which a credit card or unsecured credit facility granted by the FI itself is past due based on its own records. The FI can also determine whether a borrower has any amount outstanding on any credit card or unsecured credit facility granted by *other* FIs that is 60 days or more past due through checks with the credit bureaus. The status of an account that is 60 to 89 days past due will be indicated as "C" or "60" in the borrower's credit bureau report from Credit Bureau (Singapore) Pte Limited or DP Credit Bureau Pte Ltd respectively, while the status of an account that is 90 days or more past due will be indicated as "D" or "90".
36.	**How can a borrower determine if he has debts that are 60 days or more past due?** As a guide, a borrower should consider his debts to be past due if he does not pay the minimum amounts due under his credit cards and unsecured credit facilities by their respective due dates. He can estimate the duration for which he is past due by computing the number of days that have elapsed since the due date for the minimum amount to be paid. A borrower can also contact his FIs, or check his credit reports, to determine the number of days for which his debts are past due. The status of a credit card or unsecured credit facility that is 60 to 89 days past due will be indicated as "C" in the borrower's credit bureau report from Credit Bureau (Singapore) Pte Limited, while the status of an account that is 90 days or more past due will be indicated as "D". The status of a credit card or unsecured credit facility that is 60 to 89 days past due will be indicated as "60" in the borrower's credit bureau report from DP Credit Bureau Pte Ltd, while the status of an account that is 90 days or more past due will be indicated as "90".
37.	**If a borrower has debts that are 60 days or more past due with only one FI, are other FIs required to suspend his credit cards and unsecured credit facilities as well?** Only the FI with which the debt is 60 days or more past due is required to suspend the borrower's credit lines. However, other FIs cannot issue new credit cards or unsecured credit facilities, or grant credit limit increases, to the borrower.

38.	**Why is a borrower whose debt with one FI is more than 60 days past due still permitted to use existing credit lines already extended by other FIs?** A borrower is permitted to use only existing credit lines that are not more than 60 days past due. If the borrower has been duly servicing debts owed to other FIs on time, cutting off all credit lines because of a breach with one FI, may be too punitive.
39.	**When can an FI lift suspensions imposed on credit cards and unsecured credit facilities (as a result of the 60 days past due rule)?** Credit cards and unsecured credit facilities that have been suspended as a result of this rule can be reinstated once the borrower has repaid all minimum payments due, and the FI has conducted fresh income and credit bureau checks on the borrower.
FIs allowed to exceed the per-FI regulatory credit limit of 2 months' income or 4 months' income to help refinance debt owed to another FI.	
40.	**What does this rule mean?** The maximum amount of unsecured credit that may be granted by an FI to each borrower is generally capped at: (a) 4 months of his income, for a borrower with an annual income of at least S$30,000 but less than S$120,000; and (b) 2 months of his income, for a borrower with an annual income of less than S$30,000. However, to enable a borrower to refinance his debt at potentially more favourable interest rates and/or repayment terms, the per-FI regulatory credit limits can be exceeded if a borrower is refinancing his existing debt with another FI. FIs will also be allowed to lift any other suspension imposed on borrowers (as a result of the borrowing limit) when granting additional credit to refinance existing debt owed to other FIs.

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