Key Changes to Credit Card and Unsecured Credit Rules

No.	Key change	Rationale
With effect from June 2015		
1.	Disallow financial institutions ("FIs") from granting further unsecured credit to an individual if his outstanding unsecured debt aggregated across FIs exceed his annual income for a period of three consecutive months or more.	To help individuals who have already accumulated high levels of debt through credit cards and unsecured credit avoid accumulating further debt.
2.	Disallow FIs from granting further unsecured credit to an individual who is 60 days or more past due on any credit card or unsecured credit facility extended by those FIs.	To help individuals who already have difficulties repaying their existing debts avoid getting into further debt problems.
3.	Require FIs to disclose to borrowers (i) the total amount and time needed to fully pay off their debts if they pay only the minimum payment each month; and (ii) the amount of debt that would accumulate by the end of six months if they make no payments in the next six months.	To make the cost of borrowing more apparent to borrowers, and help them make informed borrowing decisions.
4.	FIs may consolidate debts that a borrower owes to other FIs[1], for refinancing purposes.	To enable borrowers to transfer existing debt to another FI that would allow them to better pay down their debts (e.g. lower interest rates, repayment schedule).
In effect since June 2014		
5.	Require FIs to review borrowers' outstanding debt and credit limits in credit bureau checks.	To help FIs make more holistic credit assessments.
6.	Require FIs to request borrowers to indicate credit limits when applying for credit facilities and credit limit changes.	To provide borrowers better control over their access to credit by ensuring that they are not granted more credit than they require.

[1] FIs may exceed the per-FI regulatory credit limit of two months' income/four months' income to refinance debt owed to another FI, provided it does not result in an increase in the borrower's overall unsecured debt level.

No.	Key change	Rationale
<u>In effect since December 2013</u>		
7.	Require FIs to conduct credit bureau and income checks before increasing credit limits.	To ensure that FIs make lending decisions based on updated information about borrowers' credit-worthiness and debt repayment capacities.
8.	Require FIs to conduct credit bureau and income checks upon receiving information that calls their borrowers' credit-worthiness into question.	To ensure that FIs review borrowers' credit-worthiness and debt repayment capacities when alerted to their potential debt problems, before deciding whether to continue lending to the borrowers.
9.	FIs may grant credit cards to individuals above 55 years of age who meet any one of the following criteria: (i) annual income of at least $15,000;[2] (ii) total net personal assets exceeding $750,000; (iii) guarantor with annual income of at least $30,000.	To provide credit card access to retirees who have the financial means for repayment.

[2] Before Dec 2013, individuals above 55 years of age qualify for unsecured credit cards only if they have annual incomes of at least $15,000.