

# MAS and Financial Industry Support Measures



## FOR INDIVIDUALS

| Facility   | Features   |
|--|--|
| <p><b>Defer Repayment of Residential Property Loans<sup>1</sup></b></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>• Purchase loans and mortgage equity withdrawal loans, including Debt Reduction Plans</li> <li>• Owner-occupied (HDB and private) and investment properties</li> </ul> | <ul style="list-style-type: none"> <li>• Borrowers can choose to <b>defer repayment of principal or both principal and interest</b> up to 31 Dec 2020.</li> <li>• Where there is deferment of principal and interest payments, <b>interest will accrue only on the deferred principal amount</b> i.e. interest-on-interest is waived.</li> <li>• Borrowers can choose to <b>extend the loan tenure by up to the corresponding deferment period.</b></li> <li>• After the deferment period, the <b>loan amount together with the interest accrued on the deferred principal amount will be fully amortised</b> over the remaining loan tenure (i.e. no balloon repayment).</li> <li>• The <b>deferment will not cause the loan to be reflected as a restructured loan</b> in the borrowers credit bureau reports.</li> </ul> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li>• <b>Opt-in</b> basis, for borrowers with mortgage repayments that are no more than 90 days past due as at 6 Apr 2020.</li> <li>• No need for borrowers to demonstrate any impact from COVID-19.</li> <li>• Granted expeditiously in response to borrowers request for deferment.</li> </ul> <p><b>Customer Education</b></p> <ul style="list-style-type: none"> <li>• Borrowers will be given illustrations of: <ul style="list-style-type: none"> <li>o the monthly repayment amount (if any) during the deferment period and the monthly repayment amount when they resume regular repayments;</li> <li>o the additional interest that will accrue over the deferment period; and</li> <li>o the total interest payable by borrowers over the entire loan tenure before and after opting for the deferral of payment.</li> </ul> </li> </ul> |

<sup>1</sup>ABS will refer to this measure as “Special Financial Relief Programme (Mortgages)”

# MAS and Financial Industry Support Measures



## FOR INDIVIDUALS

| Facility   | Features  |
|--|---|
| <p><b>Lower Interest on Personal Unsecured Credit<sup>2</sup></b></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>Credit cards and other revolving credit lines</li> </ul> | <ul style="list-style-type: none"> <li>Borrowers can choose to <b>convert outstanding unsecured debt from credit cards and other revolving credit lines to a term loan</b> any time from 6 Apr to 31 Dec 2020.</li> <li>Key features of term loan:               <ul style="list-style-type: none"> <li>Effective <b>interest rate capped at 8%</b>.</li> <li>Tenure of up to <b>5 years</b>. Borrowers can choose a suitable loan tenure based on his ability to service monthly repayment e.g. 2%-3% of loan amount.</li> <li>No early repayment penalty.</li> <li>Not reflected as a restructured loan in borrower’s credit bureau reports.</li> <li>Unutilised credit limit with lender will not be made available after conversion.</li> </ul> </li> </ul> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li><b>Opt-in</b> basis for borrowers who are impacted by Covid-19 (at least 25% loss of income after 1 February 2020; proof of impact on income required) and whose repayments are between 30 and 90 days past due at the point of application.</li> <li>Singapore Citizen or Permanent Resident.</li> <li>Granted expeditiously in response to borrower’s request for conversion.</li> </ul> |
| <p><b>Defer Premium Payments</b></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>Life and health insurance policies</li> </ul>   | <ul style="list-style-type: none"> <li>Policyholders can apply to their insurer to defer premium payments for up to six months while maintaining insurance coverage during this period.</li> <li>Premium deferment is available for individual life and health insurance policies with a premium due date or policy renewal date between 1 April to 30 September 2020.</li> </ul> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li>For policyholders facing financial difficulties</li> </ul>   |
| <p><b>Flexible Premium Instalment Plans</b></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>General insurance policies (e.g. for vehicle and property)</li> </ul>          | <ul style="list-style-type: none"> <li>Policyholders can apply to their insurer for instalment payment plans while maintaining insurance protection for paid-up period.</li> </ul> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li>For policyholders facing financial difficulties.</li> </ul>   |

<sup>2</sup>ABS will refer to this measure as “Special Financial Relief Programme (Unsecured)”

# MAS and Financial Industry Support Measures



## FOR SMEs

| Facility  | Features   |
|---|--|
| <p><b>Defer Payment of Principal on Secured SME Term Loans<sup>3</sup></b></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>All fully secured term loans, regardless of type of collateral, taking into account bank’s internal haircuts</li> </ul> <p>[See Appendix for additional details]</p> | <ul style="list-style-type: none"> <li>Borrowers can choose to <b>defer payment of principal and pay only interest</b> up to 31 Dec 2020.</li> <li>Borrowers can choose to <b>extend the loan tenure by up to the corresponding principal deferment period.</b></li> </ul> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li><b>Opt-in</b> basis, for borrowers with loan repayments that are no more than 90 days past due as at 6 Apr 2020.</li> <li>No need for borrower to demonstrate any impact from COVID-19.</li> <li>Granted expeditiously in response to borrower’s request for deferment, but requests may be denied in exceptional cases.</li> </ul> <p><b>Customer Education</b></p> <ul style="list-style-type: none"> <li>Borrowers will be given illustrations of : <ul style="list-style-type: none"> <li>the monthly payment amount during the interest-only payment period, and the monthly repayment amount when they resume regular repayments;</li> <li>the additional interest (arising from the accrual of interest on the deferred principal amount) that they will pay during the interest-only payment period; and</li> <li>the total interest payable by the borrower over the entire loan tenure before and after opting for the principal deferment.</li> </ul> </li> </ul> |
| <p><b>Lower Interest on SME Loans</b></p>   | <ul style="list-style-type: none"> <li>MAS to make available <b>low-cost funding to banks and finance companies</b> participating in the <b>enhanced Enterprise Singapore loan schemes</b> to SMEs <ul style="list-style-type: none"> <li>Applies to new Enhanced Working Capital Loan and Temporary Bridging Loan facilities.</li> <li>Banks to pass on lower funding cost to SMEs.</li> <li>Terms to be announced later.</li> </ul> </li> </ul>  |
| <p><b>Flexible Premium Instalment Plans</b></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>General insurance policies (e.g. trade credit, vehicle and property)</li> </ul>   | <ul style="list-style-type: none"> <li>Policyholders can apply to their insurer for <b>instalment payment plans</b> while maintaining insurance protection for paid-up period.</li> </ul> <p><b>Eligibility</b></p> <ul style="list-style-type: none"> <li>For policyholders facing financial difficulties.</li> </ul>   |

<sup>3</sup>ABS will refer to this measure as “Special Financial Relief Programme (SME)”

# Appendix – FAQs on Relief Measures for SMEs

## 1. What is the definition of “SME”?

Banks and finance companies define their SME customer segment based on different criteria. As a package, this relief should minimally apply to customers with: i) annual sales turnover of up to S\$100m; or ii) employment size up to 200 workers.

## 2. How should movable collateral and floating charges be treated?

“Fully secured” would refer to all collateral that the bank and finance company currently accepts for SME term loans. For movable collateral and floating charges, the bank and finance company may apply its internal haircuts to determine whether the loan is “fully secured” in relation to the package.

## 3. Does the relief apply if the loan is no longer “fully secured” during the deferment period due to a decline in collateral value?

The relief should apply throughout the deferment period so long as the loan was “fully secured” at the point of application for the relief.

## 4. How should other facilities granted to SMEs be treated?

The package only applies to fully secured term loans, but banks and finance companies may extend the relief to partially secured term loans at their own initiative. In relation to other types of facilities, like those related to trade finance, banks and finance companies should make efforts to support their customers during this period of economic disruption.

## 5. For loans that mature prior to 31 December 2020, how would the extension of tenure apply?

As set out in the package, borrowers who opt in can choose to extend the loan tenure up to the corresponding principal deferment period.

For example, if a borrower opts into the relief on 1 July 2020, and its loan tenure ends on 1 September 2020, the borrower may choose to extend the loan tenure by 6 months, i.e. until end-February 2021.