



MAS NOTICE 1106B

28 June 2021

NOTICE TO MERCHANT BANKS
BANKING ACT, CAP 19

RESIDENTIAL PROPERTY LOANS

1. This Notice is issued pursuant to section 55(1) as applied by section 55ZJ(1) of the Banking Act (Cap. 19) (the “Act”) and applies to all merchant banks in Singapore (“Merchant Banks”).
2. The expressions used in this Notice shall, except where the context otherwise requires, have the same meaning as in the Act or paragraph 40 of MAS Notice 1106.
3. For the purposes of paragraph 21 of MAS Notice 1106, for the period beginning on the effective date of this Notice and ending six months after the date the Ministry of Health announces its revision of its risk assessment of the Disease Outbreak Response System Condition to “Green” in respect of COVID-19 (hereinafter referred to in this Notice as the “End Date”) (both dates inclusive), paragraph 3 of MAS Notice 1106 does not apply to any credit facility that is for the purchase of, or is otherwise secured by Residential Property and any Re-financing Facility, if all of the following conditions are met:
 - (a) upon the Borrower’s request, the loan repayment terms have been changed to defer, for a period (referred to in this paragraph as the “deferment period”), the repayment of —
 - (i) the principal or any part of it; or
 - (ii) both principal and interest or any part of the principal, interest or both;
 - (b) where the loan repayment terms have been changed to defer the repayment of the interest or any part thereof in accordance with sub-paragraph (a)(ii), no interest is charged on the deferred repayment of interest unless the Borrower has requested that the amount of interest for which repayment is deferred should be regarded as part of the principal amount of the loan;
 - (c) the cumulative deferment period does not exceed 36 months.
4. For the purposes of paragraph 21 of MAS Notice 1106, paragraphs 22 to 31 of MAS Notice 1106 do not apply to any credit facility that is for the purchase of, or is otherwise secured by Residential Property and any Re-financing Facility (referred to in this paragraph as the “relevant facility”), if all of the following conditions are met:
 - (a) the Borrower requested to extend the tenure of the relevant facility;
 - (b) the extended tenure of the relevant facility does not exceed the sum of—
 - (i) the maximum tenure that would have been applicable under paragraphs 22 to 31 of MAS Notice 1106 but for this paragraph; and
 - (ii) a period of 36 months;
 - (c) the Borrower’s request mentioned in sub-paragraph (a) is made during the period beginning on the effective date of this Notice and ending on the End Date (both dates inclusive).

5. To avoid doubt, the references to a “Borrower” in paragraphs 3, 4, and 6 include a Borrower who had committed to a Debt Reduction Plan.
6. For the purposes of paragraph 21 of MAS Notice 1106, paragraphs 22 and 24 to 31 of MAS Notice 1106 do not apply to any Re-financing Facility a Merchant Bank may grant (referred to in this paragraph as a “relevant Re-financing Facility”), where —
 - (a) the tenure of the credit facility or Re-financing Facility, granted to the Borrower at any time prior to the grant of the relevant Re-financing Facility had been extended by a period (“extension period”) in accordance with paragraph 4 of this Notice, or paragraph 2A or paragraph 2AB of Notice 1106B that was immediately in force before 1 July 2021; and
 - (b) the tenure of the relevant Re-financing Facility does not exceed the sum of the maximum tenure that would have been applicable under paragraphs 22 and 24 to 31 of MAS Notice 1106 but for this paragraph, and the extension period referred to in sub-paragraph (a).
7. For the purposes of paragraph 21 of MAS Notice 1106, for the period beginning on the effective date of this Notice and ending on the End Date (both dates inclusive), paragraphs 26(c), 27, 30(c) and 31 of MAS Notice 1106 do not apply to any Re-financing Facility for the purchase of Residential Property that a Merchant Bank may grant.
8. This Notice takes effect on 1 July 2021.