



MAS NOTICE 1115A

28 June 2021

NOTICE TO MERCHANT BANKS
BANKING ACT, CAP 19

COMPUTATION OF TOTAL DEBT SERVICING RATIO FOR 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 2 of MAS Notice 1115.
3. For the purposes of paragraph 34(c) of MAS Notice 1115 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), paragraphs 5, 9 and 30 of MAS Notice 1115 do not apply to any credit facility that is for the purchase of, or is otherwise secured by 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.
5. To avoid doubt, the references to a “Borrower” in paragraph 3 include a Borrower who had committed to a Debt Reduction Plan.
6. For the purposes of paragraph 34(c) of MAS Notice 1115 for the period beginning on the effective date of this Notice and ending on the End Date (both dates inclusive), paragraphs 5 and 9 of MAS Notice 1115 do not apply to any Re-financing Facility that a Merchant Bank may grant.
7. This Notice takes effect on 1 July 2021.