

**Notice No** : **MAS Notice 827 (Amendment) 2017**  
**Issue date** : **30 May 2017**

## **UNSECURED CREDIT FACILITIES TO INDIVIDUALS**

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### **Introduction**

1 This Notice is issued pursuant to section 30 of the Finance Companies Act (Cap. 108) (the “Act”) and amends MAS Notice 827 on Unsecured Credit Facilities to Individuals dated 29 November 2013 (“the Existing Notice”) and last revised on 27 May 2015.

### **Amendments**

2 The Existing Notice is hereby amended by -

- (a) deleting the words “regulations 3 to 6” wherever they appear in paragraph 5 and substituting in each case the words “regulations 3 to 6A”;
- (b) inserting, immediately after the words “annual income of at least \$20,000” in paragraph 8, the words “(or its equivalent in foreign currency)”;
- (c) inserting, immediately after the words “annual income of at least \$20,000” in paragraph 9, the words “(or its equivalent in foreign currency)”;
- (d) deleting the header immediately before paragraph 13(1) and substituting the header “Checks on income, total net personal assets or financial assets”;
- (e) deleting sub-paragraph (b) of paragraph 14(2) and substituting the following sub-paragraph:
  - “(b) subject to sub-paragraph (3) and paragraph 16(2), the Singapore borrower –
    - (i) has an annual income of at least \$120,000 (or its equivalent in foreign currency);
    - (ii) has financial assets (net of any related liabilities) that exceed \$1 million (or its equivalent in foreign currency); or
    - (iii) has total net personal assets that exceed \$2 million (or its equivalent in foreign currency).”;
- (f) renumbering paragraph 14(6) to 14(5);
- (g) deleting sub-paragraph (a) of paragraph 17(3) and substituting the following sub-paragraph:

“(a) the individual -

- (i) has an annual income of at least \$120,000 (or its equivalent in foreign currency);
- (ii) has financial assets (net of any related liabilities) that exceed \$1 million (or its equivalent in foreign currency); or
- (iii) has total net personal assets that exceed \$2 million (or its equivalent in foreign currency); or”;

(h) deleting sub-paragraph (a) of paragraph 17(8);

(i) inserting, immediately after paragraph 23(2), the following paragraphs:

“(3) Paragraph 14(2)(b) as in force immediately before 1 June 2017 continues to apply up to and including 31 May 2019 to a finance company in relation to a Singapore borrower whose total net personal assets exceed \$2 million (or its equivalent in foreign currency), immediately before 1 June 2017.

(4) Paragraph 17(3) as in force immediately before 1 June 2017 continues to apply up to and including 31 May 2019 to a finance company in relation to an individual whose total net personal assets exceed \$2 million (or its equivalent in foreign currency), immediately before 1 June 2017.”;

(j) deleting the table in Appendix 1 and substituting the following table:

“

S/No.	If the Singapore borrower has:			Criteria to be satisfied if marriage certificate is not provided not more than 3 months after first disbursement	Measures to be taken if no criterion is satisfied
	An annual income of	Total net personal assets	Financial assets (net of any related liabilities)		
1.	<\$20,000	≤\$2 million	≤\$1 million	A, B or C	Disallow: (i) further drawdown on the renovation loan granted

2.	<\$20,000	>\$2 million	>\$1 million		jointly to the Singapore borrower and his fiancé or fiancée; and
3.	≥\$20,000, <\$120,000	≤\$2 million	≤\$1 million		(ii) any amount to be drawn down on any unsecured non-card credit facility, or charged to any fully unsecured or partially secured credit card or charge card issued to the Singapore borrower,  until at least one of criteria A, B and C is satisfied.
4.	≥\$20,000, <\$120,000	>\$2 million	>\$1 million	-	-
5.	≥\$120,000	≤\$2 million	≤\$1 million	-	-
6.	≥\$120,000	>\$2 million	>\$1 million	-	-

”;

(k) deleting paragraph (d) of Appendix 1 and substituting the following paragraph:

“(d) references to an annual income of \$120,000, financial assets (net of any related liabilities) of \$1 million and total net personal assets of \$2 million include the respective equivalents in foreign currency.”; and

(l) deleting the table in Appendix 2 and substituting the following table:

S/No.	Type of borrower	Documents required
1.	A Singapore borrower who has been issued an unsecured non-card credit facility on the basis that he has an annual income of at least \$120,000 (or its equivalent in foreign currency), financial assets (net of any related liabilities) that exceed \$1 million (or its equivalent in foreign currency) or total net personal assets that exceed \$2 million (or its equivalent in foreign currency)	Where the finance company intends to permit the Singapore borrower’s total outstanding unsecured amount to exceed his overall credit limit, documents to verify that either his annual income is at least \$120,000 (or its equivalent in foreign currency), his financial assets (net of any related liabilities) exceed \$1 million (or its equivalent in foreign currency) or his total net personal assets exceeds in value the minimum amount of \$2 million (or its equivalent in foreign currency); and, in any other case, documents to verify the annual income of the Singapore borrower.
2.	A Singapore borrower not referred to in item 1	Documents to verify the annual income of the Singapore borrower.
3.	A borrower not referred to in item 1 or 2	Documents to verify either the annual income, financial assets (net of any related liabilities) or the total net personal assets of the borrower.

**Effective date**

3 This Notice shall take effect on 1 June 2017.