



Media Statement

ABS STATEMENT ON SUPPORT FOR LANDLORDS

3 June 2020

Singapore - In light of the rental relief measures under the proposed COVID-19 (Temporary Measures) (Amendment) Bill, landlords could face constraints in their operating income and cash flows. Banks in Singapore stand ready to support affected landlords in these difficult times.

Individual and SME landlords facing cash flow difficulties can already apply to banks to defer principal payments on their mortgages up to 31 December 2020 and to extend the loan tenure by up to the corresponding deferment period if they wish. In addition, individual landlords who are required to provide relief to their tenants under the proposed Bill can also apply to defer interest payments on their mortgages up to 31 December 2020. Individual landlords who need to access additional credit to meet their immediate cashflow needs can apply for mortgage equity withdrawal loans, while SME landlords can apply for loans under Enterprise Singapore's Temporary Bridging Loan Programme or Working Capital Loan Scheme.

Corporate landlords, including real estate investment trusts listed on the Singapore Exchange, could similarly face constraints in their operating income and cash flows, which may in turn affect their ability to meet financial covenants in bank loan agreements. The Association of Banks in Singapore (ABS) assures affected landlords that banks will work closely to address any loan covenants breaches (e.g. debt service covenant and interest service covenant) as a result of the temporary constraints imposed by the proposed Bill. This includes waiving the breach and/or revising the loan covenants to take account of the current circumstances.

Banks will continue to work with all landlord borrowers bilaterally to explore funding and re-financing solutions to help ease their financial strain.

Mrs Ong-Ang Ai Boon, Director, ABS, said, "The additional relief measures demonstrate banks' support for individual landlords who face temporary cash flow constraints as they accommodate their tenants with rental relief."



About The Association of Banks in Singapore:

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of 154 local and foreign banks. More information on ABS is available on the website: www.abs.org.sg.

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