

SPECIAL FINANCIAL RELIEF PROGRAMME (CONSUMER) – ADDITIONAL MEASURES

Frequently Asked Questions

General queries

1. How can a payment deferment on my loans help me?

If you are facing cash flow constraints during this difficult period and have difficulties repaying your industrial and commercial property loans, student or renovation loans, you can consider applying to your bank for a payment deferment up to 31 December 2020. During the deferment period, you will not need to make any payments and no late fees will be charged. Regular instalment payments will resume after the deferment period.

However, a payment deferment will result in higher total interest costs. You should therefore consider this option only if there is a need.

2. What should I take note of when considering if I should apply for a payment deferment?

Depending on the loan for which you are seeking payment deferment, you may be able to defer either:

- the principal portion of the monthly instalment, while continuing to pay the monthly interest; or
- the full monthly instalment. Interest will continue to accrue on the principal amount deferred, but no interest-on-interest will be charged during this deferment period. After the deferment period, the loan amount and interest accrued on the deferred principal will be fully amortised over the remaining loan tenure.

You can also choose to extend the tenure of your loan by the duration of the deferment period, to lower the monthly instalment amount following resumption of regular payments.

However, you should keep in mind that deferring payments and extending your tenure mean that you will be paying more interest in total. Therefore, it is better not to defer repayments and/or extend the tenure if you do not need to.

Before applying for the deferment, we encourage you to discuss with your bank on your options and in the case of a deferment, how the payment schedule and increased interest cost will be like. Your bank should provide you with information such as the monthly repayment amount (if any) during the deferment period and the monthly repayment amount when you resume regular repayments, as well as the total interest you will pay over the entire loan tenure before and after opting for the repayment deferment and tenure extension (if applicable).

3. Can I defer only part of my principal repayment, i.e. make lower monthly repayment that pays down both principal and interest?

You may approach your bank to discuss the option of doing a partial deferment.

4. When can I start applying for these relief measures?

The application period for the new relief measures starts from 6 May 2020, except for the loan tenure extension for Debt Consolidation Plans (DCPs) which will be open for application from 18 May 2020.

5. How do I apply for these relief measures? Do I need to visit the banks' branches to submit or sign documents?

You should apply for the relief measure directly with your bank, via its official website, mobile app or phone hotline. Please do not visit your bank's branches unless necessary, and maintain safe distancing if you do.

6. When will my application be approved?

Your bank will seek to process your application promptly. However, it may be experiencing a high volume of applications, which could lead to delays.

7. Will my credit score be affected if I choose to defer payments for one or multiple credit facilities under my name?

Opting for the deferment will not result in your loan(s) being classified as restructured loan(s) for the purposes of credit bureau reporting. Only a brief narrative description will be uploaded to indicate your participation in the programme. To maintain a good credit score, customers are advised to maintain a good payment record for all their credit facilities even while on this programme.

8. How will the narrative appear in my credit bureau report?

The narrative is akin to a footnote in the credit bureau report. It will be reported by the respective financial institution once an SFRP relief is taken up. The narrative consists of information about product type, last payment status, start date and end date of the relief programme.

9. What is the purpose of this narrative in my credit bureau report?

The narrative is for analytics as all credit bureau information is important to financial institutions for understanding of consumers' credit behaviour and refinement of their target market strategy. Financial institutions may leverage on some of this information to provide appropriate financial advisory or tailor suitable financial products for their customers, given the short-term financial condition of the customer due to the Covid-19 situation.

For avoidance of doubt, taking up the SFRP will not affect your ability to take up new loans with your relief-granting bank, unless specified in the terms of the individual relief, such as SFRP (Unsecured). It will also not result in banks reducing your existing credit limits or lines with them, nor affect other banks' decision whether to grant new loans or higher credit limits to you.

10. I received an email/call/SMS saying that my internet banking log-in details are needed to apply for a payment deferment. Why is this needed?

You should make your application directly to your bank through its official website, mobile app, or phone hotline.

Banks will never ask for your credit/debit card details, password, or OTP, nor request for a fund transfer to be made to another account. You should verify any unsolicited calls, messages, or emails directly with your bank through official channels.

11. What if I am still unable to make the regular repayments even after the deferment period?

You should approach your bank early to discuss suitable repayment plans or debt restructuring before the end of the deferment period.

12. What will happen if the COVID-19 situation does not improve by 31 December 2020? Will the payment deferment period be extended?

The banking industry and MAS are closely monitoring the situation. We will continue to assess if additional relief measures are required.

13. Why is my bank still charging me interest during the deferment period?

Banks in Singapore have collectively agreed to grant deferment for loan repayments up to 31 December 2020. This special relief is intended to alleviate cash flow difficulties faced by customers during the COVID-19 period.

Nevertheless, as the loan remains outstanding and banks continue to bear the risk and cost of lending, interest would continue to accrue even as repayments are deferred.

14. I have already applied for the SFRP which the industry and MAS announced on 31 March 2020. Am I still eligible for the reliefs announced in this latest package?

Yes, there is no restriction on the number of relief measures you can apply for.

Relief measures for industrial and commercial property loans

15. Are my loans for overseas industrial and commercial property included?

If you are facing difficulties repaying your overseas industrial/commercial property loan, you should approach your bank early to discuss suitable repayment plans or debt restructuring.

16. Why am I not able to defer interest payments, like for my residential property loans?

This is a special relief that banks have collectively agreed to, and introduced, to help customers who are facing cash flow difficulties with their property loan repayments during this COVID-19 period.

If you face difficulties making interest payments as well, you should approach your bank early to discuss other suitable repayment plans or debt restructuring.

17. Am I eligible for this if I am not a Singaporean or Singapore Permanent Resident?

Yes, all consumer banking customers are eligible for this relief measure.

18. Will my industrial/commercial property loan automatically get a repayment deferment?

No. Repayment deferments are not automatic as customers will incur higher total interest costs and not all customers need it. If you need a repayment deferment, you would have to apply to your bank. It will process your application expeditiously upon receipt.

Relief measures for new mortgage equity withdrawal loans (MWLs)

19. Payment deferment for residential property MWLs was already included in the 30 March 2020 announcement. How is this different?

The relief announced as part of the second package of industry support measures extends the scope of the earlier relief to include new MWLs granted after 6 April 2020. This new relief will help customers, including sole proprietors, facing temporary cash flow issues to monetise the equity in their existing properties to meet business expenses and family needs, with the flexibility to make repayments at a later date.

20. Will my bank approve the payment deferment application for my new MWL?

You should be aware that you will accumulate a significant amount of debt within a short period of time when you take up a payment deferment on your new MWL.

In view of this, your bank will discuss your financial situation, as well as the implications of taking up a payment deferment (e.g. there is a risk of losing your property if you are unable to repay) with you. Where it is more appropriate, your bank will work out an alternative repayment plan with you, instead of granting a payment deferment.

21. My bank offers to defer only the principal payments. Why am I not offered principal and interest deferment?

The type of deferment relief may differ depending on whether the MWL is secured on residential property or commercial/industrial property.

You should approach your bank early to discuss what options are available for you.

22. Do I need to meet the total debt servicing ratio (TDSR) and mortgage servicing ratio (MSR) to get a payment deferment?

No, you do not need to meet TDSR/MSR to be eligible for a payment deferment.

However, TDSR/MSR continues to apply when obtaining new MWLs.

Relief measures for re-financing of investment property loans

23. Is my investment property loan eligible for the waiver? What if my loan is within a lock-in period?

The TDSR/MSR waiver will apply for both refinancing and repricing of investment property loans (including residential, commercial and industrial property loans and MWLs) taken up by individuals, individuals' special purpose vehicles (SPVs) and sole proprietors.

Individuals with investment property loans that are out of the lock-in period can apply to refinance or reprice their loans, without being subject to the total debt servicing ratio (TDSR) and mortgage servicing ratio (MSR), up to 31 Dec 2020. You should note that banks may still conduct checks on your income and debt obligations for their own internal credit assessment, especially if you are refinancing your loan with a different bank.

Consequently, individuals who do not meet TDSR and MSR will not need to commit to a debt repayment plan to repay 3% of their outstanding loan amount over 3 years.

You can avail yourself to the waiver when you refinance or reprice your investment property loans within or out of the lock-in period. For loans within the lock-in period, banks can charge penalties according to the terms of the loan.

24. Can I refinance my loan with the same bank or must I refinance it with another bank?

You can choose to refinance your loan with your current bank or another bank.

25. Why does TDSR apply to refinancing of my property loan?

At the point of refinancing, while the loan size and other terms may remain the same, the customer's income level and debt obligations may have changed from the start of the loan. Applying TDSR at this point therefore serves to ensure that the customer's property loan remains right-sized based on the customer's updated debt and income levels.

However, you will not be subject to TDSR, MSR and loan-to-value (LTV) limits when you refinance your owner-occupied housing loan.

For the period up to 31 December, you can also apply to refinance your investment property loan and MWL without being subject to the TDSR and MSR. This means that even if you do not meet TDSR and MSR, there is no need to commit to a debt repayment plan to repay 3% of their outstanding loan amount over 3 years when you refinance your loan.

26. Can I obtain a payment deferment after refinancing or repricing my investment property loan?

Your bank will assess your payment deferment application on a case-by-case basis.

In its assessment, the bank will take into account your financial situation and need for payment relief.

Relief measures for renovation loans

27. Am I eligible to apply?

You can apply to defer repayment of your renovation loan if you are no more than 90 days past due at the point of application.

28. I would prefer not to accrue interest on my renovation loan as this will result in higher repayment instalments in future. Can I choose to make interest payments during the deferment period?

The relief for renovation loans is standardised across the industry as a baseline offering. If

you would like to defer your principal payments only, you may wish to approach your bank to discuss if it can provide you with this option.

29. Why can't I include my renovation loan into the SFRP (Unsecured) that the industry had previously implemented?

Renovation loans, and other non-revolving personal term loans, are typically charged lower interest rates than revolving facilities such as credit cards. Hence, these non-revolving loans were not included as the main objective of SFRP (Unsecured) was to help reduce the overall cost of outstanding debt for customers.

30. Can I get a waiver of interest charges while my repayments are deferred?

As your loan is still outstanding and banks continue to bear the risk of lending, interest will continue to accrue over the deferment period.

Nevertheless, should you expect significant difficulties in meeting the required repayment subsequently, you may wish to approach your bank to discuss your request for an interest waiver. Banks will generally assess such requests on a case-by-case basis and provide you with the available options.

Relief measures for student/study/education loans

31. Am I eligible to apply?

You can apply to defer repayment of your student/study/education loan if you are no more than 90 days past due at the point of application.

32. Why is interest allowed to accrue on my student/study/education loan during the deferment period when the government has stopped interest charges for the MOE loan schemes?

Your student/study/education loan is a commercial product offered by your bank. Given that your loan is still outstanding and your bank continue to bear the risk of lending, interest will continue to accrue over the deferment period.

33. Can I get a waiver of interest charges while my repayments are deferred?

As explained in FAQ 30, your bank will continue charging interest on your outstanding student/study/education loan as it continues to bear the risk of lending. Nevertheless, should you expect significant difficulties in meeting the required repayment subsequently, you may wish to approach your bank to discuss your request for an interest waiver. Banks will generally assess such requests on a case-by-case basis and provide you with the available options.

34. I would prefer not to accrue interest on my student/study/education loan as this will result in higher repayment instalments in future. Can I choose to make interest payments during the deferment period?

The relief for student/study/education loans is standardised across the industry as a baseline offering. If you would like to defer your principal payments only, you may wish to approach your bank to discuss if it can provide you with this option.

Relief measures for customers on DCP

35. Am I eligible to apply?

The option to extend the loan tenure of DCP is available for customers whose incomes are impacted by COVID-19 and whose repayments are between 30 and 90 days past due at the point of application.

36. How will this relief help me?

If you are facing cash flow constraints during this difficult period and have difficulties repaying your DCP, extending the loan tenure can help reduce your monthly payments. However, an extension of loan tenure will increase the total interest payable over your entire DCP. Hence, you should consider this only if you need some relief on your monthly debt obligations.

37. I lost my job, and cannot make the minimum repayment even if I extend the tenure of my DCP loan. Can the bank grant me deferment instead?

You may wish to approach your bank to discuss your request for payment deferment. Banks will generally assess such requests on a case-by-case basis and provide you with the available options.

38. How long can I extend the DCP loan tenure for? Can I decide on the extension?

You may apply for an extension of loan tenure for up to 5 years, depending on your preference. However, the final loan tenure extension period will be subject to your bank's agreement.

39. How do I show that I am impacted by COVID-19 in order to qualify for this relief?

You may wish to check with your bank on the supporting document(s) required.

40. What if I am still current on my DCP i.e. not yet 30 days past due?

You can still approach your bank to discuss options that they can offer to help reduce your cash flow burden. Banks will generally assess such requests on a case-by-case basis and provide you with available options.

41. What will happen to my one-month revolving credit facility under the DCP?

Your revolving credit facility under the DCP will remain. If you need help with the repayment of this revolving credit facility, you can approach your bank to discuss the available options.

42. I have a debt management plan (DMP) with my banks but am unable to meet the repayments as I have lost income. What can I do?

If you have a DMP, you can approach Credit Counselling Singapore (CCS) to explore the option of restructuring your repayment plan for submission to your banks. CCS will assist with restructuring your debts on a case-by-case basis, taking into consideration your current debt servicing capacity.

Relief measures for car loans

43. What help can I get for my car loan under this new relief package that has just been announced?

If you need payment relief for your motor vehicle loan or hire purchase agreement, you can approach your bank to work out a repayment solution on a case-by-case basis. Possible relief options could include, but are not limited to, payment deferrals for a period of time.

In its assessment, the bank will take into account factors such as your financial situation, need for the use of a motor vehicle, the current market value of the motor vehicle and its estimated market value after the deferral period (if applicable). Where there is a significant fall in market value of the car after the deferral period (e.g. due to COE expiry), your bank may not be able to grant you relief.

If a payment deferral is granted, you can also discuss with your bank on the option of extending the loan tenure by up to the deferral period. This will ease your monthly instalments when you resume regular repayments.

The payment relief or deferral will not cause the loan to be reflected as a restructured loan in your credit bureau report.

44. What is the eligibility criteria to get relief on my car loan? Is this relief available for anyone who applies?

Your bank will assess your application on a case-by-case basis. There is no need to demonstrate impact from Covid-19 to make the application. Please refer to the above FAQ for more information on what your bank may consider when assessing your application.

We encourage you to reach out to your bank directly to discuss the possible relief options.

45. Which are the lenders that are offering such assistance?

These include banks that grant motor vehicle loans, as well as the three finance companies, namely Hong Leong Finance Ltd, Sing Investments & Finance Limited, and Singapura Finance Ltd.

46. When can I apply for a payment deferral or relief for my car loan?

You can submit your application from 6 May 2020.

47. How do I apply for relief for my car loan? Do I need to visit the bank's branch to sign the documents after approval?

You should apply for relief directly with your bank, via its official website, mobile app or phone hotline. Your bank will be able to advise you on whether you are required to visit the branch. If you do, please maintain social distancing at the branch.

48. How long does it take for my car loan relief application to be approved?

Your car loan relief application is assessed on a case-by-case basis by your bank. The actual approval process will vary between financial institutions, depending on various factors including the volume of applications received.

We seek your patience and understanding as your bank is likely experiencing a surge in customer enquiries and applications during this time, and there may be delays.

49. My car loan tenure is at the maximum of 7 or 10 years now. Can I obtain an extension on my car loan after payment deferment?

You can discuss the option of extending the loan tenure by up to the deferment period with your bank.

In its assessment, the bank will take into account factors such as your financial situation, need for the use of a motor vehicle, the current market value of the motor vehicle and its estimated market value after the loan tenure extension. Where there is a significant fall in market value of the car after the deferment period (e.g. due to COE expiry), your bank may not grant you a loan tenure extension.

50. What should I do if I am subsequently unable to make repayments of my car loan after the relief period?

If you have obtained payment deferment or other forms of relief for your car loan and face further difficulty thereafter, you should speak to your bank immediately to explore possible options, which may include restructuring your repayments.

You may wish to refer to Moneysense for more [tips on managing your debt](#).

Relief measures for retail bank account fees and charges

51. Am I eligible to apply?

The fee waivers are available to consumer bank account holders whose income are impacted by COVID-19.

52. Why are there fall-below fees for accounts?

Banks may impose nominal fees for accounts that fall below a certain level, as they incur costs to maintain accounts. Nevertheless, some banks do waive the account balance fall-below service fee for children, the elderly, full-time National Servicemen and recipients of public assistance. As a support measure, banks are extending the waiver to consumer banking customers who are affected by the COVID-19 pandemic.

53. What happens to my bill if the GIRO deduction failed?

Your bill will remain unpaid if the GIRO deduction fails, even if the failed deduction charge is waived.

You should approach your billing organisation to make payment or discuss the options available to you.