

FAQs on Measures to Assist Individuals, SMEs and Corporates Affected by COVID-19

No.	Question	Answer
Deferment of Loan/Financing Repayment (Deferment Package)		
1.	What is deferment of loan or financing repayment?	<p>It is a temporary deferment or suspension of loan/financing repayment obligation (principal and interest) for a limited period of time. During this period, borrowers/customers with loan/financing that meet the conditions do not need to make any repayment, and no late payment charges or penalties will be imposed.</p> <p>Interest/profit will continue to accrue on loan/financing repayments that are deferred and borrowers/customers will need to honour the deferred repayments in the future. Loan/financing repayment resumes after the deferment period.</p>
2.	What is the objective of the deferment package?	<p>The aim of this package is to provide some relief to individuals and businesses who face temporary financial constraints arising from the COVID-19 pandemic. We hope that this will help individuals and businesses facing financial adversities to cope with challenges during this period. Loan/financing repayment resumes after the deferment period.</p>
3.	Which loan/financing qualifies for the deferment?	<p>For individuals and small and medium enterprises (SMEs), the deferment in conventional loans or Islamic financing repayment obligations (except credit cards) are automatically effected by banks and development financial institutions (DFIs) if the loans/financing meet these criteria:</p> <ul style="list-style-type: none"> • not in arrears exceeding 90 days as at 1 April 2020; and • denominated in Malaysian Ringgit. <p>Meanwhile, corporate borrowers/customers may request for a moratorium on loan/financing repayment from their respective banks.</p>
4.	Can I ask for more than 6 months deferment?	<p>The deferment is only for 6 months. Please contact the bank if you require a longer deferment period.</p>
5.	If I opt for the deferment, will my CCRIS records be adversely affected?	<p>No. However, interest/profit will continue to accrue on loan/financing repayments that are deferred and borrowers/customers will need to honour the deferred repayments in the future.</p>

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		Borrowers/customers are advised to contact their banking institutions to discuss on the options available to resume repayments after the deferment period.
6.	Do I need to apply?	No. All individual and SME loans/financing (excluding credit cards) that meet the criteria will automatically qualify for the deferment.
7.	My loan/financing is in default, can I qualify? Can loans under rescheduling and restructuring (R&R) program be eligible for the deferment package?	<p>Loans/financing accounts that are already more than 90 days in arrears, will not qualify for the deferment. Borrower/customers are advised to approach their banks to seek assistance.</p> <p>Loans/financing under R&R program is also eligible for the deferment subject to meeting the criteria.</p>
8.	How is the deferment package different from the other loan/financing moratoriums announced by banks recently?	<p>Banks and development financial institutions (DFIs) have been proactive in responding to the needs of their borrowers/customers with various rescheduling and restructuring packages offered to assist affected borrowers/customers. Such efforts are welcomed and encouraged during these challenging times.</p> <p>Borrowers/customers that have accepted assistance from banks and DFIs to reschedule and restructure their loans/financing can opt out of such arrangement, if they wish to do so.</p>
9.	Which banks offer this deferment package?	All licensed banks, licensed Islamic banks and prescribed development financial institutions (DFIs) regulated by BNM will offer this deferment flexibility. Borrowers/customers that meet the eligibility criteria can avail themselves to this flexibility automatically.
10.	How do I know if my bank has enrolled my loan/financing into the deferment package? How do I know if I have qualified?	<p>Banking institutions will provide individuals and SME borrowers/customers with adequate information that their loan/financing repayments have been deferred under this scheme.</p> <p>Such information may be provided through a general advisory issued to borrowers/customers through appropriate channels, and/or published on banking institutions' websites.</p>
11.	I want to continue with my loan/financing repayments. How do I opt-out of the	You should contact your bank if you wish to opt-out of the automatic deferment package, or continue to make timely and full repayment of your loan/financing.

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	automatic deferment package?	
12.	I work in the tourism sector and have been badly affected by recent events, I have been struggling to meet my monthly mortgage payments since January and my savings are soon running dry. Do I qualify for the deferment package?	Yes, provided that your loan/financing is not in arrears for more than 90 days as at 1 April 2020.
13.	I run a small business which has been severely affected by COVID-19, if business does not improve, I will soon be defaulting on my car and personal loans/financing? Do I qualify for the deferment package?	Yes, provided that your loans/financing are not in arrears for more than 90 days as at 1 April 2020.
14.	Will I be charged additional interest on the repayment amount that is deferred by 6 months during the period?	<p>For conventional loans, interest will continue to be charged on the outstanding balance comprising of both principal and interest portion (i.e. compounded) during the moratorium period.</p> <p>For Islamic financing, profit will continue to accrue on the outstanding principal amount. Such profit however will not be compounded in line with Shariah principles.</p> <p>Banks are however not allowed to impose late penalty charges on the deferred amount.</p> <p>In other words, the loan/financing repayment is just deferred by 6 months.</p>
15.	What would happen to my loan/financing repayments after the deferment package period? How does being in the deferment package affect my interest payments after the 6-month period? Is there an	<p>Interest/profit will continue to accrue on loan/financing repayments that are deferred. This means accumulated repayment amount during the deferment of repayment period will be added to the outstanding loan/financing amount.</p> <p>Borrowers/customers are advised to contact their banking institutions to discuss on the suitable workout plans to repay the principal and interest accrued during the deferment period. This</p>

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	increase in monthly payments, or longer tenure?	may include higher subsequent instalment amount or an extension of the loan/financing tenure.
16.	Does this deferment package apply to newly approved/ disbursed loans?	It applies to all loans/financing outstanding as at 1 April 2020.
17.	Would my loans with other non-bank credit providers qualify for this deferment package?	No, this is only applicable to loans or financing offered by financial institutions regulated by Bank Negara Malaysia, namely banks and development financial institutions.
18.	If a corporate opts in for a loan or financing repayment deferment package, would it still be able to get new financing from banks?	Yes. The credit decisions of financial institutions are subject to their respective internal credit policies and assessment.
19.	As a corporate, what would be the criteria to opt-in?	<p>Unlike individuals and SME borrowers/customers, corporate borrowers/customers should refer to their banks for the deferment and rescheduling and restructuring of their loans/financing.</p> <p>In addition, these loans/financing must meet this criteria:</p> <ul style="list-style-type: none"> • not in arrears exceeding 90 days as at 1 April 2020; and • denominated in Malaysian Ringgit.
20.	I have a loan/financing which is automatically deducted from my salary. Do I qualify for the deferment?	Yes. Please inform your company to stop the salary deduction if you wish to have your loan/financing repayments deferred. You should also contact your bank to inform them accordingly.
21.	How should I notify the bank that I wish to opt-out of the deferment offer?	Please respond to the notification sent by the bank and informed that you wish to opt-out of the automatic deferment package, or continue to make timely and full repayment of your loan/financing.
22.	Will the bank automatically stop the repayment requirement if I did not respond to their notification?	Yes.
Conversion of Credit Card Balances into a 3-year Term Loan/Financing (Conversion Package)		
23.	I have two credit cards with big amounts outstanding, and	If you have been unable to meet the minimum monthly repayment on your credit card consecutively for the last 3

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	I was retrenched in January. I have not been able to meet my credit card monthly obligations since January and am very worried of the consequences. Will I qualify for the conversion of these outstanding balances into term loans/financing? How does it work? Do I need to call my bank to effect this?	months, your card issuer will convert the outstanding balance into a term loan of not more than 3 years at an effective interest of not more than/financing 13% per annum.
24.	I heard that banks will now provide automatic conversion of credit card balances into term loans/financing, but I have a monthly salary of about RM5,500. Will I qualify for this conversion package by banks?	Banks will convert the outstanding credit card balances of cardholders who are unable to meet the minimum monthly repayment consecutively for the last 3 months, regardless of the income levels of the cardholders.
25.	Can credit cardholders who have converted their card balances into a term loan/ financing immediately ask for 6 months deferment of loan or financing repayment package?	Yes, they can. Loan/financing repayment resumes after the deferment period.
26.	If my credit card outstanding balances is converted to a term loan/financing, can I still use my credit card?	Yes, you can continue to use the credit card up to the remaining credit limit after taking into account the balance converted into a term loan/financing. The outstanding balance converted into the term loan/financing is treated as part of the credit card limit. In addition, the monthly term loan/financing instalments will then form part of the minimum monthly repayment amount on the credit card.

Note: If you have any questions about this initiative, please contact your bank first. If you still need more assistance, then please visit our website at www.bnm.gov.my or contact TELELINK by calling 1-300-88-5465. The operating hours are Monday to Friday, 9.00am to 5.00pm.