

## Information and Frequently Asked Questions (FAQs) for Special Financial Relief Programme (Unsecured)

<b>Overview</b>	Special Financial Relief Programme (Unsecured) is an option that is available to help individuals reduce their overall cost of outstanding unsecured debt (by converting their outstanding unsecured debt from credit cards and other revolving credit lines into a term loan).																													
<b>Application period</b>	From 6 April 2020 to 30 June 2021 (both dates inclusive).																													
<b>Eligibility criteria</b>	<ul style="list-style-type: none"> <li>- Singapore Citizen or Permanent Resident;</li> <li>- Customer is affected by COVID-19 and have lost 25% or more of income after 1 February 2020 (proof of impact on income required)</li> <li>- Existing credit card account or unsecured loan is between 30 and 90 days past due as at application date;</li> <li>- Customer is not on any existing debt repayment or restructuring programmes with the bank, such as Debt Consolidation Plan (DCP), Repayment Assistance Scheme (RAS), etc.</li> </ul>																													
<b>Key features of term loan</b>	<ul style="list-style-type: none"> <li>- Loan tenor up to 5 years</li> <li>- Effective interest rate capped at 8%</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="text-align: left;">Repayment Period</th> <th>12 months</th> <th>24 months</th> <th>36 months</th> <th>48 months</th> <th>60 months</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Applied Interest Rate</td> <td>4.27%</td> <td>4.27%</td> <td>4.27%</td> <td>4.27%</td> <td>4.27%</td> </tr> <tr> <td style="text-align: left;">Processing Fee</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>0%</td> </tr> <tr> <td style="text-align: left;">Effective Interest Rate (EIR%)</td> <td>7.79%</td> <td>7.99%</td> <td>8.00%</td> <td>7.95%</td> <td>7.89%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>- The fixed Monthly Instalment (MI) will depend on the repayment period selected by customers</li> <li>- There is no early repayment penalty for the SFRP (Unsecured) Facility.</li> </ul>						Repayment Period	12 months	24 months	36 months	48 months	60 months	Applied Interest Rate	4.27%	4.27%	4.27%	4.27%	4.27%	Processing Fee	0%	0%	0%	0%	0%	Effective Interest Rate (EIR%)	7.79%	7.99%	8.00%	7.95%	7.89%
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<b>Principal loan amount</b>	<p>No limit.</p> <p>The loan amount will be the outstanding balance of all your unsecured facilities (including OCBC Credit Cards, EasiCredit and ExtraCash Loan) as at the date of application.</p>																													
<b>Effective interest rate</b>	<p>Not more than 8% (inclusive of all processing and relevant fees).</p> <p>However, customers who fail to make timely instalment repayments will be subject to late fee charges.</p>																													

	<p>Note: While the interest rate (capped at effective interest rate of 8%) is lower than what customer would have ordinarily paid under their credit card or other personal credit lines, it is nonetheless still a loan. Therefore, customer should pay down the unsecured credit outstanding balances as quickly as possible. The longer the tenor of the loan, the more interest customer would need to pay.</p>
<p><b>Suspension of unsecured facilities</b></p>	<p>Customer's unsecured credit facilities with OCBC will be suspended once SFRP (Unsecured) Facility is approved. Customer will also not be able to obtain new unsecured credit facilities from OCBC. They can, however, continue to utilise their credit lines with other financial institutions.</p> <p>Once the SFRP (Unsecured) Facility is fully paid off, customers can request for uplift of suspension, subject to approval. Latest income documents would be required.</p>

## **Frequently Asked Questions (FAQs):**

### **1. What is the Special Financial Relief Programme (Unsecured) (“SFRP (Unsecured)”) and how does it work?**

The SFRP (Unsecured) is part of the Special Financial Relief Package (SFRP) that the financial industry, in collaboration with MAS, has put forth to help individuals affected by the COVID-19 pandemic.

This initiative offered by banks and other card issuers aims to help borrowers who have suffered a temporary loss or decline in income and are facing difficulties meeting repayments under their existing unsecured credit facilities, by giving them an option to convert their high-interest unsecured credit card and revolving balances into a lower-cost term loan, thereby lowering their debt burden.

### **2. Am I eligible to apply for the SFRP (Unsecured)?**

You can apply to OCBC to convert your existing unsecured credit balances to a lower-cost term loan if you:

- are a Singapore Citizen or Permanent Resident;
- have lost 25% or more of your income after 1 February 2020 (proof of impact on income required);
- have not made the required minimum payment for your latest statement or more (as at application date); and
- are not on any existing debt repayment or restructuring programmes with the bank or card issuer, such as Debt Consolidation Plan (DCP), Repayment Assistance Scheme (RAS), etc.

### **3. What are the key features of this term loan?**

- Loan tenor up to 5 years
- Effective interest rate capped at 8%

<b>Repayment Period</b>	<b>12 months</b>	<b>24 months</b>	<b>36 months</b>	<b>48 months</b>	<b>60 months</b>
Applied Interest Rate	4.27%	4.27%	4.27%	4.27%	4.27%
Processing Fee	0%	0%	0%	0%	0%
Effective Interest Rate (EIR%)	7.79%	7.99%	8.00%	7.95%	7.89%

- There is no early repayment penalty

#### 4. How will this help me with my debt burden?

If you are facing difficulties repaying your monthly unsecured credit debts in full as your income is affected due to the COVID-19 pandemic, the SFRP (Unsecured) will help you avoid the snowballing of interest and accumulation of debt that results from the rolling over of your outstanding balances.

##### For illustration purposes only:

Customer A has an outstanding balance of S\$12,000 on his OCBC Credit Cards.

- Assuming he is only able to make minimum monthly repayment of 3% for the next 5 years, he will have to make minimum monthly repayments ranging from \$360 to \$227, and will incur total interest of **\$12,513\***.
- If he converts all his unsecured credit debts into a 5-year SFRP (Unsecured) term loan, he will have to make fixed monthly repayments of \$243, and will incur a significantly lower total interest of **\$2,598**.

	<b>OCBC Credit Cards</b>	<b>SFRP (Unsecured)</b>
Total outstanding	\$12,000	\$12,000
Repayment period	5 years	5 years
Interest Rate	26.88% p.a.	4.27% p.a.
Monthly repayment	Assuming customer only makes the 3% minimum payment, the monthly repayment will reduce gradually from \$360 to \$227, as outstanding balances reduce	Fixed monthly repayment of \$243
Total principal paid	\$4,667	\$12,000
Total interest paid	\$12,513*	\$2,598
Outstanding balance	\$7,333	\$0

*\*This is assuming that Customer A does not incur any further transactions.*

In summary, based on the above example, by converting his unsecured credit debts to SFRP (Unsecured), Customer A will be able to (1) better manage his monthly repayments, (2) lower interest cost and (3) pay off his principal amount.

**5. When can I start to apply for SFRP (Unsecured) from OCBC?**

You can apply for SFRP (Unsecured) from 6 April 2020 to 30 June 2021 (both dates inclusive). You may obtain the application form from our website from 6 April 2020.

**6. How can I apply for SFRP (Unsecured)? E.g. what documents do I need to submit?**

You may fill up our online form [here](#).

A copy of your NRIC will be required, along with the following documents:

<b>Salaried employees</b>	<b>Commission-earner/ Self-employed</b>
- Latest CPF Statement with minimum 12 months' contribution (for applicants with monthly income of up to S\$6,000); or - Employer's letter and/or latest month's payslip (and any prior month payslip indicating income reduction from 1 February 2020).	- Latest 3 consecutive months of bank statements (Please include additional months of bank statements to demonstrate decline in business cash flow from 1 February 2020, where necessary).

**7. What happens to my outstanding balances?**

All your credit card and revolving credit line outstanding balances will be converted into the SFRP (Unsecured) Facility, and you have to pay back in equal monthly instalments. Please note that you cannot choose to convert only some of your outstanding balances on your unsecured facilities.

**8. Can I still use my credit card or EasiCredit after the SFRP (Unsecured) Facility is approved?**

No, your credit card/ EasiCredit account will be suspended while the SFRP (Unsecured) Facility is still active with OCBC. However, your credit facilities with other banks or Financial Institutions (FIs) will not be affected.

## **9. How do I make payment for the SFRP (Unsecured) Facility?**

Modes of payment and cut-off times:

- FAST Funds Transfer from any participating bank's online banking platform  
Almost instant once transaction is completed. Refer to the Association of Banks in Singapore's website at [www.abs.org.sg/fast.php](http://www.abs.org.sg/fast.php) for a list of participating banks.
- Cheque payment  
Cut-off time of 3.30pm from Monday to Friday for next working day clearing.
- AXS machines  
Payment via AXS terminals after 5pm or on a Sunday or Public Holiday will be credited on the next working day.
- Cash deposit machines  
Cut-off time of 9pm from Monday to Saturday. Deposits on a Sunday or public holiday will be considered Monday's deposit.
- Funds transfer  
Online fund transfers to other banks generally take 2 - 3 business days to clear whereas it is immediate if the transfers are between OCBC accounts.
- Payment at branches (Not recommended at this point in time given the current COVID-19 situation.)

## **10. Can I make partial payments?**

No, you cannot make partial repayments.

## **11. What happens if I cannot make payment for my monthly instalment of SFRP (Unsecured)?**

A late fee of S\$200 will be charged if no monthly instalment is received by the payment due date.

## **12. Will I receive a monthly statement?**

Yes, you may choose to receive either a physical or e-statement.

## **13. Will I be able to view this account in my Internet Banking?**

Yes, you will be able to see it on Internet Banking.

## **14. When will I receive my statement and when is my payment due?**

Your statement will be generated at the end of the calendar month. The payment due date is 28 calendar days after the statement is generated (the "Payment Due Date"). If the Payment Due Date falls on a non-working day (Saturday, Sunday or public holiday), the actual payment due date will fall on the previous business day instead.

**15. I want to change the repayment period of my SFRP (Unsecured) Facility? (e.g. extend loan tenor/ increase monthly instalment etc). How can I do so?**

Yes, you may change the repayment period. More details will be provided at a later date.

**16. Can I repay the full term loan before the end of its tenor?**

Yes, you may repay your SFRP (Unsecured) Facility in full at any time before the end of the loan tenor. There is no early repayment penalty.

**17. How do I make full payment?**

You will need to contact OCBC and we will advise you on the full settlement amount.

**18. If I have a SFRP (Unsecured) Facility with another bank during this COVID-19 crisis, can I still apply for one with OCBC?**

Yes you can. SFRP (Unsecured) is administered independently by individual banks.

**19. Can I apply for a joint SFRP (Unsecured) account so that my spouse can have a view of the details?**

No, this is an individual account.

**20. Will application of this SFRP (Unsecured) Facility affect my Credit Bureau records?**

No, there will not be any impact on your Credit Bureau records. However, please note that if your accounts were in delinquency status prior to taking up the SFRP (Unsecured) Facility, they will continue to be reflected as such in the CBS records. Please note that if you default on your SFRP (Unsecured) payments, they will be reflected accordingly in the CBS records.