

Pemulih package: Six-month loan moratorium; RM5k EPF withdrawal

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The government today announced that a six-month bank loan moratorium will be granted to all borrowers, regardless of their income levels.

Previously, the moratorium was only reserved for the B40 community.

Prime Minister Muhyiddin Yassin, who announced the Pemulih aid package (National People's Well-Being and Economic Recovery Package) today, said he understood that the Covid-19 pandemic had not only impacted the B40 community.

“Those from the M40 and T20 groups are also affected as they help their family and relatives impacted by the Covid-19 pandemic.

“Therefore, I would like to announce that, in cooperation with the banks, a six-month loan moratorium will be offered to all individual borrowers, regardless of

if they are from the B40, M40, T40 groups or micro-entrepreneurs,” he said.

The loan moratorium is similar to the one announced in March last year when the country went into a lockdown for the first time.

A slight difference is that those interested will need to apply with their banks instead of an automatic opt-in.

However, Muhyiddin said there will be no conditions or documents required in the application.

“There won’t be conditions such as a reduction in salary, loss of job or documents that need to be submitted for the application,” he said.

He added that the loan moratorium will also be offered to small and medium enterprises, subject to a review and approval by the banks.

Applications for the loan moratorium will begin on July 7.

“Borrowers will only need to apply and sign an agreement to alter the terms of their loan,” he said.

EPF withdrawal

The government also announced that those with education loans under government-run institutions are also eligible for an opt-in moratorium.

For loans under the Higher Education Loan Fund (PTPTN), Perbadanan Tabung Pembangunan Kemahiran (PTPK) and Majlis Amanah Rakyat Malaysia (Mara), the moratorium will last for three months.

For loans under the Public Service Department, the moratorium will last for six months.

Another round of withdrawal from the Employees Provident Fund will be allowed under a new i-Citra programme.

Contributors can withdraw up to RM5,000 at a rate of RM1,000 a month for five months that will benefit 12.6 billion contributors.

Application begins on July 15 at icitra.kwsp.gov.my and the first distribution will begin in August.

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