

# MORE TIME, RELIEF FOR AFFECTED BORROWERS

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PM announces  
targeted extensions  
and lower  
repayments over  
loss of income

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**T**HE government has decided to extend the moratorium on loan repayments with targeted bank assistance to individuals and small- and medium-scale enterprises (SMEs).

Prime Minister Tan Sri Muhyiddin Yassin said the Moratorium Extension and Targeted Bank Assistance initiatives were expected to benefit about three million individuals and SMEs, and eligible borrowers may start applying at their banks from Aug 7.

"The banking institutions are committed to giving appropriate assistance if more people need assistance," he said in a televised announcement yesterday.

Muhyiddin said the Perikatan Nasional government had discussed with the finance minister and Bank Negara Malaysia governor to find solutions to the problems faced by some borrowers, who still needed assistance after the moratorium ends.

He said the extension decision was made as part of the government's effort in the Prihatin economic stimulus package to protect the rakyat, support businesses and strengthen the local economy.

"I hope this Moratorium Extension and Targeted Bank Assistance will ease the burden of individuals affected by the Covid-19 pandemic.

"The decision was made with the cooperation of the local banking institutions to support businesses' sustainability and assist the economic recovery in ensuring the wellbeing of the rakyat," said Muhyiddin.

He said the moratorium and targeted bank assistance would be applicable to individuals who had lost their jobs this year and had yet to secure new jobs.

"These individuals will enjoy a targeted extended moratorium



Tan Sri Muhyiddin Yassin

for a three-month period.

"After three months, the moratorium can be extended by the banks depending on their individual situation."

Muhyiddin said working individuals whose salaries were reduced due to the Covid-19 pandemic would also be eligible for the moratorium extension and targeted bank assistance.

"The monthly instalments will be reduced in line with the salary reduction rate, depending on the borrowers' loans."

For example, Muhyiddin said the monthly instalments for home and personal loans would be reduced in accordance with the reduction in salaries.

"This assistance is for a period of at least six months. An extension can also be given subject to the current salary of affected individuals," he said.

He added that banks had also agreed to provide assistance to borrowers — individuals and SMEs — based on their situation.

The assistance includes only paying the interest for a specified period or extending the entire loan term to reduce monthly repayments, or providing other relief until the borrower achieves a stable financial position.

As for hire-purchase loans, Muhyiddin said banks would offer appropriate instalment scheduling options, subject to the Hire Purchase Act.

On March 25, Muhyiddin announced a six-month moratorium, conversion of credit card balance to term loans and restructuring of corporate loans in an initiative estimated to be worth at least RM100 billion.

The moratorium, which will end on Sept 30, was introduced to ease the burden faced by SMEs as well as individuals affected by the Covid-19 pandemic.

Muhyiddin said the moratorium, which began on April 1, had helped individuals and businesses whose incomes were affected by the Covid 19 outbreak.

He said up to July 20 and based on data from Bank Negara, a total of 7.7 million individual borrowers or 93 per cent of individual borrowers had benefited from the moratorium worth RM38.3 billion, while 243,000 SMEs (95 per cent) also benefited with a value of RM20.7 billion.

"Since the gradual opening of the economy last May and later during the Recovery Movement Control Order period, economic activity across the country has been improving.

"Now, there are individuals and businesses who can afford to make repayments."

Muhyiddin said the number of individual borrowers who continued to repay their loan instalments increased from 331,000 in April to 601,000 this month.

In the same period, the number of SME borrowers who chose not to take this facility had increased from 5,000 to 13,000.

He said, however, he was aware that there were still economic sectors which faced difficult and uncertain conditions, adding that he understood that some businesses still could not fully operate, and that there were those who had lost their jobs and income.

"I hear your grouses, and I also know many hope that the moratorium will be extended.

"With this announcement, I hope that Mak Cik Kiah, Pak Salleh, Encik Lee, Puan Rani, Encik Douglas, and all Malaysians can heave a sigh of relief while the government and industry players work to revive our economy."

Muhyiddin reminded the public that the Covid-19 virus was still present, and advised everyone to take care of their health.

"For the good of us all, always practise social distancing, wear a face mask in public places, avoid confined and crowded spaces, and don't feel awkward about practising the new normal.

"Let us all pray that we are all protected from the Covid-19 virus," he added.