

# Extension for those in need

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## PM grants three more months on loan moratorium

**PETALING JAYA:** The government has agreed to extend the existing loan moratorium for a further three months for those who are unemployed and have targeted bank assistance for individuals and small businesses that need to restructure their loans, says Prime Minister Tan Sri Muhyiddin Yassin.

The extension of the loan moratorium and targeted bank assistance will benefit three million people and companies.

Those who have lost their jobs this year and are still unemployed will be able to apply for an extension of a loan moratorium and any further extensions would be on a needs basis.

The loan moratorium, which is part of the Prihatin Rakyat Economic Stimulus Package, will be extended on a targeted basis from September to December this year.

In an announcement yesterday, Muhyiddin also said the Finance Ministry and Bank Negara agreed that those who had their pay cut due to Covid-19 pandemic would also be assisted by the banks with targeted reliefs.

"For individuals who have lost their jobs in 2020 and yet to be employed, you will enjoy a further targeted extension of moratorium for a period of three months.

"After the three months, the banks can further extend the moratorium depending on the individuals' financial situation.

"For those who are still employed but with their salary reduced due to the Covid-19 pandemic, the monthly instalment can be lowered in tandem with their pay cuts, depending on the type of loans," said the



**Rapt attention:** Laundrette worker Amira Wahida Osman watching the Prime Minister deliver the special announcement on the loan moratorium in Putrajaya. — MOHD SAHAR MISNI/ The Star

Prime Minister.

He also said that banks had given their commitment to assist individuals and small and medium enterprise (SME) borrowers, be they business owners, hawkers or self-employed, affected by the pandemic.

"Depending on the situation of the borrowers, the assistance include paying only interest rates for a period of time, extending the overall loan period to lower the monthly instalments and other forms of relief until the borrower is financially stable," said Muhyiddin.

He also said that for hire-purchase loans, banks would offer a choice of repayments in accordance with the Hire Purchase Act.

"Three million individuals and businesses are expected to benefit from extension of loan moratorium and bank assistance.

"Eligible borrowers can apply for the extension from the banks from Aug 7 onwards.

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ness and consumer activity basically grind to a halt, except for essential services.

According to Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz, the initial phase of the moratorium on loan repayments by financial institutions was estimated to have reached RM51.4bil as at July 6.

He says that more individuals and companies have started to repay their debts and have opted out of the loan moratorium.

In July, 601,000 individuals have begun to pay their debts in full compared with 331,000 in April and 13,000 SMEs have done the same in July compared with 5,000 in April.

However, with the rate of unemployment creeping up and some sectors still at a standstill due to the Covid-19 pandemic, some quarters had voiced their concerns over borrowers' debt repayment capability and urged the government to extend the loan moratorium period.

"If more are in need of such assistance, the banks have agreed to consider on a case by case basis," said Muhyiddin.

On April 1, the government implemented a six-month moratorium which benefited 7.7 million individual borrowers and over 243,000 SME.

The first loan moratorium was a feature from the first relief package during the movement control order by the government that saw busi-