

PM URGES BANKS TO HELP PEOPLE

‘Restructure borrowers’ repayments or delay legal action against them’

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KUALA LUMPUR

P RIME Minister Datuk Seri Ismail Sabri Yaakob has urged banks to help borrowers facing financial difficulties address their repayment issues as well as postpone any legal action against them.

He said borrowers who needed help should contact banks to restructure or reschedule debt repayments.

He said the government welcomed efforts by the banking sector to support borrowers by restructuring their debts.

The government, he added, took note of efforts by banks in not taking the “easy way out” by blacklisting defaulters or commencing bankruptcy proceedings.

“Even though the insolvency rate has reduced by 50 per cent after economic sectors reopened in stages since October, Malaysia’s economy will take time to fully recover.

“As such, new borrowers or those who find it difficult to find jobs should be supported until they regain their footing,” he said in a statement.

Ismail Sabri said at the same time, the government, via the Insolvency Department, had raised the insolvency threshold to RM100,000 to provide protection for those who had been financially affected by the Covid-19 pandemic.

He said this allocation was made under the Insolvency Act (1967), and the Temporary Mea-



Prime Minister Datuk Seri Ismail Sabri Yaakob says the government takes note of banks’ efforts of not blacklisting defaulters. FILE PIC

asures For Reducing The Impact of Coronavirus Disease 2019 (Covid-19) 2020 Act.

He said to support the lower-income group, as per an announcement on Oct 13, the banking industry, together with the Credit Counselling and Debt Management Agency, was implementing the Financial Management and Resilience Programme (Urus) for the low-income group.

Under Urus, borrowers would be entitled to interest exemption for three months, loan moratorium or reduced loan repayment up to two years, and well as financial management support.

Borrowers, he said, would be given comprehensive help, including personalised financial planning, to ensure more meaningful long-term aid.

He said the banking sector had implemented Urus in a transparent and fair manner to help households with an income of up

to RM5,880, and those who have lost jobs or income by up to 50 per cent due to the pandemic.

Those who qualify for the facilities, he said, could contact banks before Jan 31.

He said borrowers could get other help from banks in line with their needs.

“As for micro-entrepreneurs, RM1.8 billion has been allocated via Tekun Nasional, Bank Simpanan Nasional and Agrobank, which offers zero-per cent funding for at least six months for loans of up to RM75,000, and express moratorium between six and 12 months, subject to terms and conditions.”

He said the government was aware that many people, especially in the B40 group, needed support.

He said under the 2022 Budget, the government would ensure public welfare efforts were comprehensive.

This, he said, included a RM8.2

billion allocation for the Bantuan Keluarga Malaysia programme, RM2.4 billion for aid under the Welfare Department, RM450 million in schooling aid, RM400 million for supplementary food programmes, including daily milk supply for impoverished children, RM450 million for PerantiSiswa Keluarga Malaysia, and RM4.8 billion for the JaminKerja and MySTEP programmes to provide 600,000 jobs.

He said social initiatives included Tenang vouchers, which had been raised to RM75; the continuation of the job seekers allowance, and raising the insured wage ceiling from RM4,000 to RM5,000 to enable more than nine million workers under Socso.

Ismail Sabri said: “Looking ahead, the government has re-activated the Social Protection Council, which is formulating national social protection policies.”