



Loan Repayment Measures to Assist Borrowers Affected by COVID-19

Mr. Veerathai Santiprabhob, Governor of the Bank of Thailand (BOT), informed that, after the BOT launched measures to help borrowers in February 28, 2020, financial institutions have made progress in assisting borrowers which have increased from 30,000 borrowers with outstanding debt of 234,000 million baht as of 18 March 2020 to 156,000 borrowers with outstanding debt of 310,000 million baht as of 23 March 2020.

The BOT has continuously monitored the COVID-19 pandemic situation, and has coordinated and discussed with commercial banks, Specialized Financial Institutions (SFIs), and other financial services providers, via 9 associations and clubs*. In light of the discussion, all parties agreed that the impact of the COVID-19 pandemic has widened to people and businesses in all sectors, and that there is a need to urgently cooperate for Thailand to be able to overcome this difficult time. Therefore, it has been agreed to adopt minimum measures to assist borrowers having debts in credit cards, personal loans, hire purchase, leasing, housing loans, and SMEs loans, whose loans are not past due for longer than 90 days (non-NPL). The measures will become effective from the debt repayment period of 1 April 2020 onwards, for which details are summarized as follows:

**Loan repayment measures to assist borrowers who have potential to repay their loans
and whose loans have not turned into NPLs**

Credit types	Minimum measures to assist debtors
1. Credit card and revolving loan	Lowering the minimum repayment from 10% to 5% (in 2020 and 2021), 8% (in 2022), and back to 10% (in 2023). In addition, borrowers can convert their credit card debts to long-term loans with lower interest rates.
2. Personal loan with installment payments and car title loan	<ul style="list-style-type: none">- Commercial banks and SFIs: moratorium on repayment of principal and interest for 3 months- Other financial services providers: moratorium on repayment of principal and interest for 3 months; or reduction in repayment of loan for at least 30% of installment payments for 6 months
3. Hire purchase (1) Motorcycles: loan amount not exceeding 35,000 baht. (2) Every type of automobiles: loan amount not exceeding 250,000 baht.	Financial Services providers either choose <ul style="list-style-type: none">- Moratorium on repayment of principal and interest for 3 months; <u>or</u>- Moratorium on repayment of principal for 6 months
4. Leasing with outstanding loan not exceeding 3 million baht.	

Credit types	Minimum measures to assist debtors
5. Housing loan with loan amount not exceeding 3 million baht.	- Moratorium on repayment of principal for 3 months with a reduction of interest that is suitable for customers on a case-by-case basis
6. SMEs loans, Microfinance, and Nano finance with loan amount not exceeding 20 million baht.	

Note: Borrowers with several types of loans can get all types of assistance as specified in the conditions.

The mentioned measures are merely the minimum measures that must be met, each financial service provider can offer relief packages that are better than the minimum measures for borrowers, both corporates and individuals, in the sectors which are directly impacted from the pandemic situation, such as tourism, hotel, aviation industries, and related businesses. Borrowers can study more information at the website or contact call center of each financial institution.

The borrowers who have been assisted under this scheme will have their credit history recorded as normal borrowers in the National Credit Bureau's database, but the borrowers still have responsibilities to repay their debts as set out in the terms agreed with financial services providers.

For borrowers that can repay their debts under normal terms of repayment, financial services providers may provide privileges or special conditions as deemed appropriate in order to promote good financial discipline among borrowers.

In this regard, financial services providers must communicate extensively with borrowers regarding the minimum measures and additional relief packages for specific borrowers, as well as inform borrowers regarding details of privileges, procedures to get assistance, and responsibilities to repay debts under new terms as set out in the relief measures.

Bank of Thailand

25 March 2020

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 * Including 1. The Thai Bankers' Association 2. The Association of International Banks 3. The Government Financial Institutions Association 4. Thailand Leasing Association 5. Thai Hire-Purchase Association 6. Vehicle Title Loan Trade Association 7. Thai Motorcycle Hire-Purchase Association 8. Credit Card Club – The Thai Bankers' Association 9. Personal Loan Club.



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Loan Repayment Measures to Assist Borrowers Affected by COVID-19 : 26 March 2020

Effective from 1 April 2020 onwards

No negative record shown
in National Credit Bureau (NCB)

Customers with multiple loan types are eligible for all assistances according to the requirements

1

**Credit Card Loan
& Personal Loan (revolving loan)**



Reduce the minimum requirement for loan
repayment (currently at 10%)

Year

Minimum Repayment

2020 – 2021

5%

2022

8%

2023

10%

In addition, borrowers can convert these loans to
a long-term loan with a lower interest rate

2

**Personal Loan with Installments
& Vehicle Title Loan (car-for-cash)**



**Commercial Banks and Specialized
Financial Institutions (SFI)**

- Moratorium on repayment of
principal and interest for 3 months

Other financial service providers

- Moratorium on repayment of principal and interest
for 3 months; or
- Reduction in repayment of loan for at least 30% of
installments for 6 months

3

Hire Purchase

Motorcycles: loan not exceeding THB 35,000
Other vehicles: loan not exceeding THB 250,000



4

Leasing

Outstanding balances not exceeding THB 3 mn



Moratorium on repayment of principal and interest for 3 months; or
Moratorium on repayment of principal for 6 months

5

Housing Loan
Loan not exceeding THB 3 mn



6

SME loans, Microfinance, Nano finance
Loan not exceeding THB 20 mn



Moratorium on repayment of principal for 3 months
with a reduction of interest that suitable for customers on a case-by-case basis

These are the minimum assistance measures to lessen the customer's debt burden. Each financial service provider can provide better financing options to support their borrowers. Borrowers who could make their payments regularly will be provided a special offer as appropriate.



BANK OF THAILAND

Measures to Assist Borrowers Affected by Economic Downturn : 28 February 2020

Temporary measures for two -year periods



From 1 January 2020 to 31 December 2021

Extending assistance to all groups of borrowers



Retails



SMEs



Corporates

Credit Card and Personal Loan

1. Reduce the minimum payment below 10% of the amount due
2. Convert credit card loan and personal loan to a long-term loan with lower interest rate (without cancellation of credit card)
3. Increase temporary limit of personal loan in case of emergency

Other Types of Loans

Debt restructuring, such as

- Extend the loan repayment due date for all types of loans, including trade finance (packing credit and trust receipt)
- Renew the loan periods or maintain the loan amounts
- Convert short-term loans into long-term loans
- Moratorium on repayment of principal and/or interest temporarily
- Reduce interest, penalty, or fee

Lenders: financial institutions can help or support borrowers in several forms:

1. Debt Restructuring

Pre-emptive borrowers (Non-NPL) >> classify as Stage 1 (Normal) and not being reported as "Debt Restructuring" to NCB

Non-performing loan borrowers (NPL) >> classify as Stage 1 (Normal) if customers made the payments for 3 months or 3 consecutive periods (lessen from 12 months rule)

2. Additional loans to support immediate working capital >> classify as Stage 1 (Normal)

3. Delay in reducing borrowers' unused credit lines >> exempt from loan loss provisioning for the unused credit lines



Borrowers can consult with their financial institutions to restructure debts before the loans turn into NPL