



Special Financial Relief Programme (SFRP) (Unsecured) – Frequently Asked Questions

1. What is SFRP (Unsecured) about?

The SFRP (Unsecured) is part of the Special Financial Relief Package (SFRP) that the financial industry, in collaboration with MAS, has put forth to help individuals affected by the COVID-19 pandemic.

This initiative offered by banks aims to help borrowers who have suffered a temporary loss or decline in income and are facing difficulties meeting repayments under their existing unsecured credit facilities (Credit Cards, Personal Loans, and/or Personal Line of Credit), by giving them an option to convert their unsecured balances into a lower-cost instalment plan, thereby lowering their debt burden.

2. Am I eligible to apply for SFRP (Unsecured)?

You can apply if you meet the following criteria:

- You are Singaporean or a Singapore Permanent Resident
- You hold an existing HSBC Credit Card, Personal Line of Credit and/or Personal Loan, and the outstanding amount(s) in respect of each such product held by you is between 30 and 90 days past due
- Your finances have been impacted by COVID-19 situation, resulting in reduction of at least 25% of monthly income after 1 February 2020
- You are not enrolled under any (a) Debt Consolidation Plan (DCP) with any financial institution, or (b) existing debt repayment / restructuring programme (including any Repayment Assistance Scheme (RAS), Debt Management Plan (DMP) or Debt Relief Plan (DRP)) with HSBC

3. Should I apply to convert my outstanding unsecured debt into this instalment plan under SFRP (Unsecured)?

The SFRP (Unsecured) is an option that is available to help individuals reduce their overall cost of outstanding unsecured debt. It is specifically introduced by banks to help those who are affected by COVID-19 and face short-term cash flow constraints, and who are at substantial risk of going further into arrears.

Before taking up this instalment plan, you may wish to consider other options (e.g. Spend Instalment, Balance Transfer, Debt Consolidation Plan, etc). However, whichever option that you choose, it is important to make sure that you are able to meet the monthly payments in full so as to avoid the further accumulation of debt.

You can also reach out to Credit Counselling Singapore, who can advise you on how to manage your debts and provide you more information on the Debt Management Programme (DMP).

4. I am affected by a temporary pay cut, but I still have sufficient income and savings to pay my debts. Should I apply to convert my existing debts nonetheless?

As a general principle, you should pay off your outstanding as soon as possible, to reduce interest being incurred. While the effective interest rate of the instalment plan under the SFRP (Unsecured) is capped at 8%p.a., please be aware that interest continues to be charged. Hence, you should carefully consider your options and make your own assessment on which option is most suitable for you based on your current financial situation.

5. Is this a restructured loan product? How will it be reflected in my credit bureau report?

The instalment plan under SFRP (Unsecured) will not be reflected as a restructured loan product in your credit bureau report.

6. When can I start applying for the SFRP (Unsecured)?

The application period is from 6 April 2020 to 30 June 2021. You can apply at any time within the application period if you meet the eligibility criteria.

7. What is the interest rate, and can I choose the tenor of the instalment plan?

The effective interest rate for SFRP (Unsecured) is at 8%p.a., and you can choose a tenor of up to 5 years. An instalment plan with a longer tenor would result in lower monthly instalment, however the total interest payable would be higher.

For example*, based on an outstanding balance of S\$6,000:

Tenor	1 Year	2 Years	3 Years	4 Years	5 Years
Total Interest payable for tenor	S\$480	S\$960	S\$1,440	S\$1,920	S\$2,400
Monthly Instalment	S\$540	S\$290	S\$207	S\$165	S\$140

**Figures have been simplified for illustration purposes*

8. Can I choose which unsecured facility to convert into an instalment plan?

Yes, you can choose which product to be converted. For example, you can retain the balances on your HSBC credit card facility, and choose to convert the outstanding on Personal Line of Credit into the instalment plan. If you have multiple credit card accounts, you can also indicate which credit card account should be converted into the instalment plan.

Do note that we will not be able to make changes to the instalment plan once it's approved.

You may want to also consider (a) if your existing facilities already have a preferential interest rate (e.g. Balance Transfer, Cash Instalment Plan, Spend Instalment), (b) their remaining tenor, and (c) whether you are able to make full repayment after the preferential interest rate expires, before deciding whether you wish to convert such facilities into the instalment plan.

9. Can I indicate the amount to convert into an instalment plan?

No, we would convert the full outstanding (including any amounts under interest-free instalments or promotional interest rates) from each selected facility into the instalment plan.

10. Will the instalment plan include interest charges?

Yes, the full outstanding will be converted into the instalment plan, including any fees and charges which have been incurred on the account at point of approval. But if your account is overlimit, please make payment to reduce your outstanding balances to be within the credit limit.

If there are any new amounts posted into your account after the application is submitted (e.g. you made a transaction and the merchant had posted it after your instalment plan is approved), these charges would remain on the existing facility which you would have to arrange for full payment to avoid interest charges at prevailing rate.

11. Can I request for a higher amount for instalment plan, and receive the funds to own beneficiary account?

No, the instalment plan will be strictly based on the existing outstanding balances in your unsecured credit facilities. We will not be able to grant extra or provide any buffer to the instalment plan.

12. What information must I provide to apply for SFRP (Unsecured)?

- You would need to complete the request form which is available on our website and submit it electronically
- You would also need to provide your income documents, to show the reduction of monthly income of 25% or more after 1 February 2020
- For foreigners – if you had not updated us of your Singapore Permanent Resident status, please update your particulars with us first and submit the request form for SFRP (Unsecured) thereafter.

13. What type of income documents are acceptable?

Income or supporting documents must reflect at least 25% drop in monthly income:

Category	Acceptable Document(s)	Document Dated
Salaried Employees / Variable Earners / Freelancers	Pay slips, pay vouchers, pay statements	January 2020 and latest month (e.g. March 2020)
	Bank account statement showing salary crediting	
	Letter issued by company stating previous income (before 1 February 2020) and current income or that income has reduced by at least 25% after 1 February 2020	-
	CPF contribution history (for monthly income less than S\$6,000)	From January 2020 onwards
Self-Employed	Company bank account statements (in name of registered company)	January 2020 and latest month (e.g. March 2020)
	For Sole Proprietor: Personal bank account statements (used for running business)	
Commission-based earners	Monthly commission statement	January 2020 and latest month (e.g. March 2020)
	Letter issued by company stating earnings	
Taxi / Private-Hire Drivers	Monthly takings issued by company	January 2020 and latest month (e.g. March 2020)
	Letter issued by company stating earnings	

14. How will I know if SFRP (Unsecured) has been approved?

You will receive a letter from HSBC, indicating your instalment plan has been approved. If we require more information for the application, we will follow up with a letter and/or call.

15. Will my existing unsecured credit facilities be affected if I take up SFRP (Unsecured)?

Once the SFRP (Unsecured) is approved, all your existing unsecured credit facilities will be suspended and you will no longer be able to draw down from the unsecured credit limit. During your instalment plan tenor, you will also not be able to apply for a new unsecured credit facility.

If you have unsecured facilities which were not converted into the instalment plan, do note that these will also be suspended. Notwithstanding this, you would need to continue making repayments for any outstanding balances of these unsecured facilities by the relevant due date(s).

16. What happens to the Reward points on my credit card account?

The existing Reward points will remain on the account. However, as your credit card will be suspended, it is recommended that you redeem for items which do not require your credit card for balance payment.

17. How can I get my unsecured credit facilities unsuspended?

After you have fully paid off the outstanding under SFRP (Unsecured), you can submit request for uplift of suspension by:

- Completing the MAS suspension account reinstatement form, and
- Providing your latest income documents

We would perform the necessary checks (e.g. credit bureau) to assess if we are able to uplift the suspension.

18. Can I repay the instalment plan before end of its tenor?

Yes, you can fully repay your instalment plan at any time – and we will be waiving the early repayment penalty for instalment plans under the SFRP (Unsecured).

19. Can the tenor of the instalment plan be changed after it's approved?

No, after the instalment plan is approved, we will not be able to make changes.