

## LOAN DEFERMENT GUIDELINES FOR SMEs AND SMALL MERCHANTS HIT BY COVID-19

The FSC and the FSS along with all financial associations and federations adopted the guidelines for the loan extension of principal payments and the deferment of interest payments to be implemented beginning on April 1 for the SMEs and small merchants hit by COVID-19.

The guidelines provide the minimum standard with which SMEs and small merchants can apply for financing support. Financial institutions may voluntarily apply more relaxed standards and expand the supporting targets.

### **COMMON GUIDELINES**

- ▶ **ELIGIBILITY:** SMEs and small merchants directly or indirectly damaged by COVID-19 with no overdues, impaired capital or business closure
- ▶ **ELIGIBLE LOANS:** Existing SME loans with maturity date of up to September 30, 2020, including guaranteed loans and foreign currency loans that have been issued prior to March 31, 2020.<sup>1</sup>
- ▶ **TERMS OF SUPPORT:** A minimum of six months of maturity extensions and deferment of interest payments from the date of application regardless of the repayment method
- ▶ **APPLICATION METHOD:** Applicants need to visit a branch of currently using financial companies for consulting. Or, depending on the company, non-face-to-face methods such as phone or fax can be possible.
- ▶ **APPLICATION PERIOD:** April 1, 2020 ~ September 30, 2020

### **ADDITIONAL GUIDELINES**

- ▶ **INSURANCE COMPANIES:** If policy loan holders qualify as SMEs or small merchants hit by COVID-19, they are also subject to the deferment of interest payments
- ▶ **SPECIALIZED CREDIT FINANCE BUSINESSES:** Credit card loans, credit loans, secured loans, installment financing and leases will be subject to the deferment of interest payments, while credit sales, cash advance and loans, leases or installment financing for automobiles will not be included

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<sup>1</sup> Excludes mortgage loans, business loans for certain real estate related projects and loans for special purpose companies