

## FSC TO STRENGTHEN INCLUSIVE FINANCE MEASURES

The FSC announced its plans to strengthen inclusive finance measures for this year on February 15.

### **KEY MEASURES**

#### **A. REDUCE INTEREST PAYMENT BURDENS ON LOWER INCOME HOUSEHOLDS**

- (1) Work to improve the microfinancing options and encourage the private sector lenders to make more microloan opportunities available to low credit borrowers
  - Consider a wider reduction in interest rates for 'sunshine loan' products and work to diversify microfinancing channels through different financial sectors
  - Provide incentives to financial institutions that have outstanding records in the provision of microloan products
- (2) Strengthen measures to root out illegal predatory lending and work to support victims

#### **B. STRENGTHEN TARGETED SUPPORT FOR VULNERABLE GROUPS**

- (1) Introduce a government-backed ultra-long term (40-year) home mortgage product for young adults and expand support to lower their rent costs
- (2) Diversify options for receiving reverse home mortgage payments and promote other financial products for those in and/or preparing for retirement
- (3) Allow a payment deferral of up to two years for those hit by COVID-19 before their debt adjustment payment obligations take effect
- (4) Work for the enactment of the new consumer credit bill (to be submitted to the National Assembly in H1 2021) to establish a fair system of debt adjustment between creditors and individual debtors

#### **C. ENSURE EFFECTIVE IMPLEMENTATION OF THE FINANCIAL CONSUMER PROTECTION ACT**

- (1) Operate a taskforce to ensure a smooth implementation of the new Financial Consumer Protection Act
- (2) Set up an online bulletin board to announce a schedule of public information sessions and work to strengthen public awareness about the expected changes in rules

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