

PROVISION OF PROMPT CREDIT RECOVERY SUPPORT AVAILABLE FOR BORROWERS IN PAYMENT DELINQUENCY

- Up to 2.98 million individuals and 310,000 individual business owners expected to see their credit scores increase by about 37 points and 102 points on average, respectively.
 - Borrowers with delinquent payment history can check their eligibility starting from today.
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The Financial Services Commission announced that prompt credit recovery support will be provided to borrowers in payment delinquency starting from March 12.

The credit recovery support will be provided to the borrowers who accrued delinquent payment history of up to KRW20 million between September 1, 2021 and January 31, 2024 and will have fully paid off their late payments by May 31, 2024. According to relevant credit information agencies, there are some 2.98 million individuals and 310,000 individual business owners in payment delinquency. Among them, about 2.64 million individuals and 175,000 individual business owners were found to have completely paid off their late payments as of the end of February 2024.

Starting from today, borrowers with delinquent payment history can check their eligibility on the website of individual credit rating and information companies. For those who have already paid off their late payments, their credit scores will be increased automatically without the need to apply for this separately. For the rest of the borrowers—about 340,000 individuals and 135,000 individual business owners who have yet to completely pay off their late payments—the credit recovery support will be provided once they have paid off their late payments in full by May 31, 2024.

Moreover, starting from today, the period for keeping and making use of borrowers' debt adjustment records by Korea Credit Information Services will be reduced from two years previously to one year. Accordingly, if the borrower has faithfully made payments in accordance with the debt adjustment plan agreed by the lender for one year, his or her debt workout history will no longer be shared with financial institutions after one year. According to Korea Credit Information Services, about 50,000 individuals will benefit from this change.

Attending the event commemorating the launch of prompt credit recovery support today, FSC Chairman Kim Joo-hyun said that the credit support programs being introduced today will help many people and businesses to regain footing and make a fresh start.

The FSC will continue to seek measures to promote financial inclusion and provide support for the public.

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