

DEFERMENT OF PRINCIPAL PAYMENT AVAILABLE FOR VULNERABLE DEBTORS

The FSC announced on April 27 that deferment of principal payment will be available for vulnerable debtors who are unable to service debts due to diminished income caused by the COVID-19 pandemic. It will be offered by all financial institutions from April 29 until the end of this year.

PROGRAMS

Based on the situation of individual debtors, either a pre-workout program or a debt adjustment program is available.

(PRE-WORKOUT BY FINANCIAL INSTITUTIONS) Microfinance loan users should apply for deferment of principal payment from the original lending institutions. Debtors without multiple debts are also able to apply at the lending institutions.

Individual debtors whose diminished income minus living expenses is lower than monthly debt payment¹ can apply for a deferment of principal payment for six to twelve months with no extra fees.

(DEBT ADJUSTMENT BY CREDIT COUNSELING & RECOVERY SERVICE) Debtors with multiple debts can apply for deferment of principal payment through a debt adjustment program at the Credit Counseling & Recovery Service.

Individual debtors with multiple debts whose net property value is less than the amount of total debts can apply for a deferment of principal payment for six to twelve months. Long-term debtors with three or more months of overdue payments may also be eligible for a debt relief program which offers 10~70 percent of debt cancellation.

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For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr.

¹ For credit loans with no collateral or guarantee & guaranteed microfinance loans