

GOVERNMENT MAKES AVAILABLE LOW INTEREST RATE LENDING SUPPORT FOR SMALL MERCHANTS

The FSC and the Ministry of SMEs and Startups announced the availability of KRW8.6 trillion worth of low interest rate business loans for small merchants whose business operations have been hit by the prolonged COVID-19 social distancing measures. The lending support which will be available from January 24 aims to provide relief to some 860,000 small scale businesses that have been hit by the pandemic distancing measures and received assistance through the government's loss recovery fund from the end of last year.

The total size of the low interest rate lending support program is KRW10 trillion funded by the government's fiscal expenditure. Small scale businesses that have experiences setbacks from the prolonged COVID-19 social distancing measures can apply to receive up to KRW10 million each at an interest rate between 1 percent and 1.5 percent based on their credit standing starting from January 24.

Applicants with low credit scores can apply for loans through the Small Enterprise and Market Service (SEMAS). Those with mid-range credit scores between 745 and 919 can apply for loans with special guarantees from local credit guarantee foundations. Small merchants with credit scores of 920 or above can apply through local banks.

Application will be available via mobile apps from local banks to help speed up the lending process.

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