

## ONLINE ONE-STOP LOAN TRANSFER SYSTEM AVAILABLE

The FSC announced that financial consumers will be able to make a switch from their existing credit loans to loans offering more favorable borrowing conditions using their smartphones without having to visit a branch office of financial institutions beginning on May 31. Establishing an online one-stop loan transfer system has been a key policy agenda of this administration to help alleviate people's interest payment burdens and promote digital transformation in the financial sector and competition between banks. In this regard, the FSC has been closely working with the Financial Supervisory Service, the Korea Financial Telecommunications & Clearings Institute, major financial companies and fintech businesses to launch an online one-stop loan transfer system. In particular, prior to its launch on May 31, authorities have closely looked into ways to improve user convenience and guarantee stability and security of the system.

Beginning on May 31, consumers will be able to use their smartphone apps (MyData-enabled loan comparison platform app or major financial company apps) to search for loans offering better borrowing terms and make a switch from their existing credit loans issued by 53 financial institutions (19 banks, 18 savings banks, 7 credit card companies and 9 specialized credit finance businesses). The online one-stop loan transfer app service will be available during the banks' operating hours from 9:00 am to 16:00 pm on business days. Consumers can use the loan transfer service for their existing credit loans of up to KRW1 billion issued by 53 financial companies. From the time of downloading a mobile app until completing the verification of result, the service usage time is estimated to be around fifteen minutes, which is significantly shorter than at least two business days it took for consumers to visit the branch office of two financial institutions previously. The loan conditions calculated for consumers will be based on the same lending standards (maximum loan limit, debt service ratio, etc.) applied across banks, savings banks and credit card companies. Meanwhile, financial authorities will closely work with the investigative authorities to be prepared for a potential rise in fraudulent activities such as vishing.

With the ease of switching loans from one financial institution to another, it is expected that there will be more financial companies joining the platform as well as those making the loan transfer service available on their apps gradually. Authorities also expect that there will be more competition between platforms in the future as more platforms operated by fintechs or financial companies are scheduled to introduce the loan transfer service after June this year. Authorities will closely monitor the status of system operation to ensure consumer convenience and financial market stability. Through close coordination with the banking sector, authorities also plan to set up a loan transfer system for home mortgage loans within this year.

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