

UOB Property Loan Reduced Instalment Plan – Extended Support Scheme

Updated 25 June 2021

1. What is the UOB Property Loan Reduced Instalment Plan?

The Monetary Authority of Singapore (MAS) has announced an extended credit support scheme (ESS) for mortgages under individuals. The ESS is open to individuals who have lost their job or have faced an income loss of at least 25 per cent due to the COVID-19 pandemic.

Under the ESS for mortgages, eligible UOB property loan customers can apply for a reduced instalment plan for up to 9 months but not exceeding 31 December 2021. The reduced instalment plan will enable you to repay the property loan with a lower monthly instalment amount which is based on 60 per cent of your monthly instalment. The reduced monthly instalment will cover repayment of both the interest and partial principal sum of your loan. If the reduced monthly instalment is insufficient to cover the interest, the monthly repayment will be revised to a monthly interest-only repayment.

2. When can I start applying for the UOB Property Loan Reduced Instalment Plan?

UOB property loan customers, including those who were on the Special Financial Relief Programme, can apply for the UOB Property Loan Reduced Instalment Plan from now to 30 September 2021.

You can apply through our [application form](#) which is available on UOB's website.

While the reduced instalment repayment scheme can ease customers' monthly instalments, however, it comes with higher overall costs as customers will pay down their principal more slowly. Please consider all other options before applying for this relief measure. You may email us at loanpaymentrelief@uobgroup.com and we will get in touch with you to discuss and to review your available repayment options or restructuring for your property loan.

3. What are the criteria to qualify for this relief programme?

The UOB Property Loan Reduced Instalment Plan is intended to help UOB customers who have experienced cash flow constraints and have difficulties in repaying their mortgage loans during this difficult period.

UOB property loan customers who wish to apply, including those who were on the Special Financial Relief Programme, must meet the following eligibility criteria:

- Your income has been impacted by COVID-19. The Bank will require proof of income reduction by at least 25 per cent or loss of employment after 1 February 2020; and
- Your loan account is not more than 90 days past due on loan repayments at the point of application.

4. How long is the UOB Property Loan Reduced Instalment Plan for?

You may take up a reduced instalment repayment plan for up to 9 months but not exceeding 31 December 2021, starting from the date at which you take up the programme.

Examples:

1. If your reduced instalment repayment starts from February 2021, your reduced instalments will take effect for 9 months from February 2021 until October 2021.
2. If your reduced instalment repayment starts from June 2021, your reduced instalments will take effect for 7 months from June 2021 until December 2021.

5. How is the reduced instalment amount calculated?

We will calculate the reduced instalment amount based on 60 per cent of your monthly instalment. The reduced monthly instalment must be enough to cover the loan interest and partial principal sum.

If the 60 per cent reduced monthly instalment amount is not enough to cover monthly interest, your monthly repayment will be revised to a monthly interest-only repayment.

This is to avoid a case where your interest payment is rolled over into the next month which will increase your debt. The rolled over interest may attract additional interest cost.

6. How is the 25 per cent loss in income calculated?

The 25 per cent income impact is computed based on the total income including all borrowers before and after 1 February 2020.

	Income loss	At least 25 per cent reduction in income?	Income is impacted by COVID-19?	Meet eligibility?
1.	Total monthly income: Dec 2019 S\$5,000 Jan 2020 S\$3,500	Yes (30 per cent income reduction)	No (Income was reduced before Feb 2020)	No
2.	Total monthly income: Jan 2020 S\$5,000 Mar 2020 S\$3,000	Yes (40 per cent income reduction)	Yes (Income was reduced after Feb 2020)	Yes
3.	Total monthly Income: April 2020 S\$5,000 May 2020 S\$4,500 Oct 2020 S\$3,500	Yes (30 per cent income reduction)	Yes (Income was reduced after Feb 2020)	Yes

If the loan is under joint names, we will assess the 25 per cent loss in income based on the total income of all borrowers.

7. Will I have to pay a higher instalment amount after the reduced instalment period?

After the reduced instalment period, your new monthly instalment will be recomputed based on the outstanding principal amount and fully amortised over the remaining loan tenor. It is important to note that the new monthly instalment amount will be higher as you had paid a lower repayment amount on the loan principal during the reduced instalment period.

We will notify you in writing of the new monthly instalment amount payable after the reduced instalment period, together with the relevant payment due date in due course.

As you will incur higher interest cost over the loan tenor when you take up the Reduced Instalment Plan, please consider all other options before applying for this relief measure.

You may email us at loanpaymentrelief@uobgroup.com and we will get in touch with you to discuss and to review your available repayment options or restructuring for your property loan.

8. I do not meet UOB's eligibility criteria but have difficulties with my property loan repayment. How can UOB help me?

Please email us at loanpaymentrelief@uobgroup.com and we will get in touch with you to discuss and to review your available repayment options or restructuring for your property loan.

9. What if I continue to have difficulties with my reduced monthly instalment plan?

Please email us at loanpaymentrelief@uobgroup.com and we will get in touch with you to discuss and review your available options for your property loan.

10. Do I need to meet the total debt servicing ratio (TDSR) and mortgage servicing ratio (MSR) to get a reduced monthly instalment plan?

You do not need to meet TDSR / MSR to be eligible for the reduced instalment repayment plan. However, TDSR / MSR will continue to apply when you obtain a new loan for a property purchase.

11. How will I be notified of the status of my application?

Your application will be processed within 14 working days. If your application is approved, you will receive an SMS notification and subsequently an Approval Letter from us.

12. Will taking up the UOB Property Loan Reduced Instalment Plan affect my credit score?

The UOB Property Loan Reduced Instalment Plan will not affect your credit score, as it will not be classified as a restructured loan for the purposes of credit bureau reporting.