

Important Information on Further Study Assist Loan Extended Support Scheme (ESS)

From 9 November 2020, you can extend your Further Study Assist (“FSA”) loan tenure by up to 24 months.

- Select the tenure for extension of up to 24 months.
- No change to your existing applied interest rate.

Illustration:

Existing Further Study Assist

Original loan tenure	Remaining loan tenure	Existing interest rate [^]	Original loan amount	Total interest payable	Monthly instalment
5 years	3 years	4.38%p.a	\$50,000	\$5,766	\$930

Lump sum disbursement with fixed monthly repayment spread over 5 years

With Further Study Assist Loan Extended Support Scheme (ESS)

Extended loan tenure	New remaining loan tenure	Existing interest rate [^]	Outstanding loan amount (as of November 2020)	Revised total interest payable	New monthly instalment
1 year (12 months)	4 years	4.38%p.a	\$31,300.81	\$6,486	\$713
2 year (24 months)	5 years	4.38%p.a	\$31,300.81	\$7,217	\$582

Figures are estimated and simplified for illustration purposes.

[^]Existing interest rate as indicated to you in the previous approval letter.

Eligibility:

- You must have an active Further Study Assist loan which is not cancelled by the bank.
- Your Further Study Assist Loan overdue balances must be less than 90 days.
- Loss in income since or after February 2020.

Important Notes:

- 1) Upon successful application for this FSA relief, please note that you will not be able to change the loan tenure in future.
- 2) The DBS/ POSB FSA Product Terms & Conditions continue to apply.
- 3) Reduced monthly instalment reduces principal payment, please note that the total interest payable over the entire loan tenure will be higher.
- 4) Please give due consideration to the interest costs you will eventually have to pay when taking up the ESS and balance this against your need for temporary cashflow relief before submitting your request. Choosing a longer tenure will incur more interest as compared to a shorter loan tenure.
- 5) You must continue to make prompt payments to avoid incurring late fee or settle your loan in full early if you able to do so to reduce your total interest payable and debt liability.
- 6) We will use the mailing address in your existing FSA for any communications on your FSA ESS application.
- 7) Please note that you will not be able to change or reverse the loan tenure extension upon successful application of this FSA ESS.
- 8) Your new monthly instalment will take place on the following month after ESS is approved.

Additional notes for customers who have previously applied to defer monthly repayment till 31 December 2020.

- 1) Monthly repayment will commence after deferment period.

Q: Can I make changes to the loan tenure after I have successfully submitted the application?

Changes to the loan tenure will strictly not be allowed upon application submission.

Q: Will my monthly instalment amount change if I apply for FSA ESS?

Yes, your monthly instalment amount will change.

The revised monthly instalment amount will be calculated based on outstanding loan balance at point of application, new remaining loan tenure with interest computed on a monthly rest basis.

For progressive disbursements after extension, the monthly instalment amount will increase with each subsequent disbursement. The revised monthly instalment amount will be calculated based on outstanding loan balance and remaining tenure

Q: How will I be notified of the application status?

We will update you on the status through a letter. Should your application be approved, the letter will also reflect the revised monthly instalment amount.

Q: Is there any early settlement penalty fee if I intend to repay in full before the expiry of the loan tenure?

No penalty fee will be charged if you wish to settle the loan early.

Q: Will my credit report be impacted if I were to take up any form of assistance offered under of Extended Support Scheme (ESS) such as payment deferral program or lower-interest personal unsecured credit facilities?

The subject loan granted under the ESS will not be reflected as restructured loan in your credit bureau report. Only a brief narrative description will be uploaded to indicate your participation in the programme.

Your credit score will not be affected solely because of your participation in this program. To ensure good credit score, borrowers are advised to maintain a good payment record for all their credit facilities even while on this programme.

Q: What is the purpose of this narrative in credit bureau report?

The record is for analytics purpose as all credit bureau information is important to financial institutions for understanding of consumers’ credit behaviour and refinement of their target market strategy. Financial institutions may leverage on some of this information to provide appropriate financial advisory or tailor make suitable financial products for their customers given short term financial condition of the individual due to Covid-19 situation. For the avoidance of doubt, taking up the ESS will not affect your ability to take up new loans with your relief-granting bank, unless specified in the terms of the individual relief, such as SFRP (Unsecured). It will also not result in banks reducing your existing credit limits or lines with them, nor affect other banks’ decision whether to grant new loans or higher credit limits to you.

Q: How will the narrative appear in credit bureau report?

The narrative is akin to a “footnote” in the credit bureau report. It will be reported by the respective financial institution once ESS is taken up. The narrative consists of information which represents product type, the last payment status, start date and end date of the relief program.

Q: Will the narrative remain in the Credit Bureau Report permanently?

No, all the SFRP/ ESS related narratives will be removed upon closure of the underlying account / at the end of the program, whichever is earlier.