

Banks to set aside RM1 bln to fund Urus Programme

KUALA LUMPUR, Oct 14 — The banking industry is working alongside the Credit Counselling and Debt Management Agency (AKPK) to assist eligible B50 customers with an estimated contribution value of RM1 billion under the newly announced Financial Management and Resilience Programme (Urus).

According to a joint statement from banking associations and AKPK, Urus would see banks setting aside an estimated RM1 billion to fund the cost of the reduction in interest/profit costs, including interest/profit waiver for the vulnerable B50 customers.

As for AKPK, it would provide the customers with personalised financial plans that are developed holistically, taking into account the customers' financial circumstances and ability to afford the repayment of all the customer's financing obligations, it said.

The joint statement was issued by the Association of Banks in Malaysia (ABM), Association of Islamic Banking and Financial Institutions Malaysia (AIBIM), Association of Development Finance Institutions of Malaysia (ADFIM), and AKPK.

The associations said Urus is a scheme that is open to individual customers, on application, who are under an existing repayment assistance programme (such as the Targeted Repayment Assistance, Pemerkasa Plus, Pemulih, bank's own rescheduling and restructuring) as at September 30, 2021, and meet the stipulated criteria that include either loss of employment or reduction of income of at least 50 per cent.

They must be from the B50 income segment, for instance, customers with a gross household income of RM5,880 or lower, based on the definition by the Department of Statistics of Malaysia (DOSM).

In terms of the personalised financial plans provided by AKPK under Urus, the statement said each financial plan will encompass options that include an interest/profit waiver for a period of three months, commencing the month following the customer's onboarding into the scheme.

"It also includes a three-month interest/profit waiver together with reduced instalments for a period of up to 24 months in total," it said, adding that during this period, customers with unsecured personal loans/financing and credit cards may also benefit from reduced interest/profit rates to help alleviate their financial burden.

The statement said AKPK would help to monitor the financial plans throughout the programme and review the plan with the banks when the financial circumstances of the customers improve.

“These services are provided to customers for free,” it said, adding that individual customers who fulfil the criteria could apply for Urus through one of their banks starting November 15, 2021 until January 31, 2022.

It said customers will be notified of the application process by the banks nearer to this date.

The banks and AKPK are committed to providing a smooth and convenient application process to customers, it added.

More details on the Urus scheme will be published on banks’ and AKPK’s websites.

— Bernama

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