PROFESSIONAL SERVICE HANDBOOK FOR LICENSED MONEYLENDERS

MINISTRY OF LAW SINGAPORE | Registry of Moneylenders

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1 General duties of a licensed moneylender

1.1 *Documented procedures of moneylending business*

1.1.1 A licensed moneylender should have clearly documented standard operating procedures ("**SOP**") for the business operations and the moneylending transactions. These documented procedures should be endorsed by the director or test-qualified manager ("**TQM**")[1], who should ultimately be responsible for the overall conduct of the persons involved in the moneylending business.

1.1.2 The SOP should cover the following aspects:

(a) Specified duties of key personnel such as:

(i) Director/Manager to verify and endorse in writing, on the quarterly statements which are to be submitted to the Registry of Moneylenders ("**the Registry**") in accordance with the Moneylenders Act 2008 ("**MLA**").

(ii) Director/Manager to be the only authorised officer to access and manage the e-service account for submission of quarterly statements to the Registry.

(iii) Director/Manager to have an oversight of every loan issued and every contract entered into by a borrower (including a restructured loan). This oversight or supervision should be evidenced in writing (e.g. signing off by the director/manager) on the notes of contract.

(iv) Director/Manager to supervise the staff to ensure that every loan transaction complies with the MLA and its subsidiary legislation, the "Registrar's Conditions for the Grant of Moneylender's Licence" ("**Licence Conditions**") or any Registrar's Directions. The director/manager should document the reason for making a decision that is or may be contrary to the regulations mentioned above, if any.

[1] *A TQM is an appointed manager of the licensed moneylender who has passed the moneylender's test administered by the Registry and whose appointment is approved by the Registry.*

Compliance officer (who may be a director or a manager) to be in charge of ensuring that all aspects of a licensed moneylender's obligations under the Moneylenders (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Rules 2009 ("PMFTR") are adhered to, and to conduct the review of the procedures/processes.

(v) TQM to discharge duties that correspond with the clause on duties of a TQM under the Licence Conditions; i.e. involvement in training of staff and daily operations of the moneylending business.

(b) Exit procedures in the event that the moneylending licence is facing termination/expiry (e.g. due to voluntary cessation / winding up of business, non-renewal of licence.), spelling out the duties to be fulfilled, following such licence termination/expiry, such as:

(i) Company/Business to remain registered and reasonably functional until the last loan has ceased to subsist.

(ii) A suitably qualified officer-in-charge to be made available for reporting purpose or allowing the Registry or members of public to make enquiries to.

(iii) Director/TQM to notify the Moneylenders Credit Bureau ("**MLCB**") on the termination/expiry of licence so that the access rights to the licensed moneylender's account can be updated accordingly.

(iv) An officer to be assigned with the duty of ensuring that the borrowers' loan account records are continually updated in the MLCB for every payment received, regardless of the licence status.

(v) Ensure that the last quarterly statement is submitted to the Registry.

(c) Procedures for the recruitment of personnel incorporating "fit and proper" and "good character" checks in the pre-employment assessments. Good practices could include inquisitive interviews and to obtain from each employee, a written declaration and/or certificate of non-criminal conviction (or equivalent document(s)).

(d) Procedures to preserve the confidentiality of information received from borrowers. The procedures should safeguard against wrongful management of borrowers' data, and be consistent with the Personal Data Protection Act 2012 ("PDPA") and the MLA. A borrower's personal data should not be collected, used or disclosed unless:

(i) The borrower has given his consent to the collection, use or disclosure; or

(ii) The collection, use or disclosure, is required or authorised under a written law. Where a consent form is used, the consent should not be so broadly scoped such that it would allow the licensed moneylender or its debt collector to share the borrower's data with third parties.

(e) Procedures for the various stages of moneylending transactions to encourage:

(i) Responsible lending practices, and
(ii) Professional debt recovery practices.

1.2 *Audit*

1.2.1 A licensed moneylender should incorporate an audit arrangement[2] that has the following features to ensure that the overall conduct of the moneylending business is consistent with the up-to-date legislation/regulations and its (licensed moneylender's) SOP:

(a) Except in the case of the annual audit of financial accounts in which a licensed moneylender is to meet under the requirements set out in the MLA, an audit on the other aspects of the moneylending business should be conducted periodically; e.g. once every year, once every three years.

[2] *This may comprise a combination of internal and compliance audits. In determining whether an area of audit should come under an internal or external audit process, the licensed moneylender should be mindful to comply with the obligations on audit statutorily, and/or as per the Licence Conditions/Registrar's Directions, where applicable.*

(b) The duties performed by the personnel employed/engaged by the licensed moneylender should be audited to determine if they are in compliance with the MLA and its subsidiary legislation, Licence Conditions, Registrar's Directions and the licensed moneylender's SOP.

(c) In addition to detecting non-compliance and ensuring rectifications, the audit team should endeavour to identify areas for improvement for the licensed moneylender's consideration.

(d) In connection with (c), the licensed moneylender should document any commitment to take action, and the actions that have been taken in response to the auditor's proposed areas of improvement. The document should be endorsed by the director/manager of the licensed moneylender.

1.3 *Training*

1.3.1 Training plans and schedules should be set out so that the individuals employed/engaged by the licensed moneylender (including debt collectors who are outsourced) are continually equipped with applicable knowledge and skills to perform their duties in accordance with the legislation/regulations and the licensed moneylender's up-to-date SOP.

1.3.2 Especially for debt collectors, training should also include awareness on what constitutes criminal conduct that may warrant enforcement action by the police, such as offences under the Penal Code 1871, Debt Collection Act 2022, Protection from Harassment Act 2014 and Vandalism Act 1966. Some of these examples are listed under section 3.2 on "Unprofessional Debt Recovery Practices".

1.4 Adoption of electronic signature & storage of electronic loan documents

1.4.1 A licensed moneylender should consider the following key features when deciding whether to adopt electronic signatures and electronic loan documents (including storage of these documents), hereon referred as the Electronic Loan Model ("**ELM**"), in their moneylending process:

(a) The process does not allow any alteration to be made after the contract is signed by the borrower.

(b) The process does not allow any signature to be copied from it or to be transposed from another electronic record.

(c) The only manner in which a signature can be made on the electronic loan contract must be done afresh with the person signing on the electronic signature pad.

(d) Adopting sufficient prevention measures such as signing of loan documents in a well-covered CCTV area and storing of the recordings for a reasonable duration of time. These measures would mitigate any risks of forgery allegations against licensed moneylenders by the borrowers; i.e. borrowers claiming the signatures executed are not theirs.

(e) To ensure the integrity of the borrower's information and protection of the information by making reasonable security arrangements to prevent any unauthorised access, collection, disclosure or similar risks, in compliance with the PDPA, especially part 6 on 'Care of Personal Data'.

[Personal Data Protection Act 2012 - Singapore Statutes Online (agc.gov.sg)].

1.4.2 Licensed Moneylenders need not seek approval from the Registry regarding the implementation of the intended ELM. However, licensed moneylenders remain fully responsible in ensuring that their operations, including implementation of digitalisation initiative, complies with the relevant laws at all times.

2 Responsible lending practices

2.1 *Identification of personnel*

2.1.1 In order to portray a professional image and offer assurance to borrowers, a name card extended to a borrower by a licensed moneylender's personnel should contain clear identification information (of the same staff). This is a common practice observed by many professional business organisations.

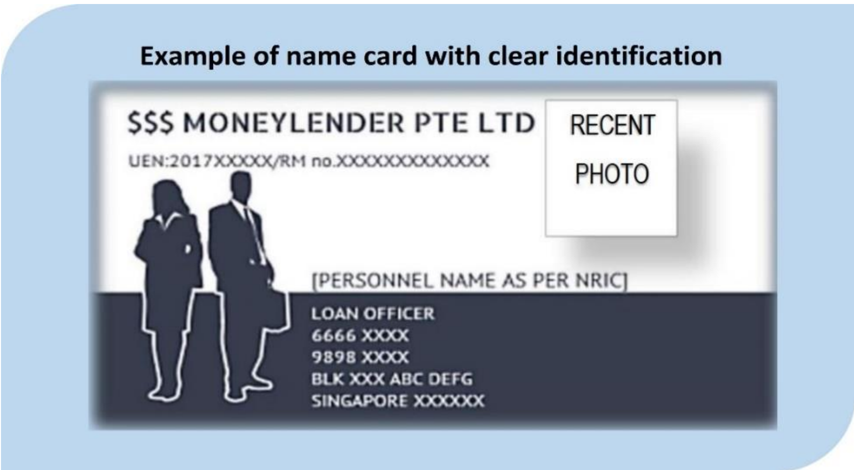
2.1.2 Clear identification information on a name card should include:

(a) The licensed moneylender's particulars such as the business name, its unique entity number ("**UEN**"), approved landline, business address and website address.

(b) A photograph of the personnel.

(c) The personnel's name should preferably be the name registered with the National Registration Office or on other official identification document.

(d) The personnel's designation and contact numbers (i.e. DID, mobile number).



2.1.3 The use of pseudonyms is discouraged to prevent confusion with the borrowers. Mobile numbers used by a moneylending personnel should be registered with the telecommunication service providers either in the licensed moneylender's business name or the individual's name.

2.2 *Receiving a potential borrower*

When receiving a borrower, the licensed moneylender should:

(a) Avoid selling the loans aggressively.

(b) Allow the borrower sufficient time to complete a loan application form, which includes specifying the amount he wishes to borrow and the purpose of the loan.

(c) Highlight to borrower, the key details of the consent the latter is about to give the licensed moneylender to collect, use and disclose his personal data/information.

(d) Be equipped with the knowledge to answer all queries of prospective customers relating to the terms and conditions of the loan contract.

2.3 *Assessing a borrower's suitability for a loan & granting a loan*

Assessing a borrower's suitability for a loan

2.3.1 Application for loans should be considered carefully, taking into account the borrower's ability to repay given his income level and the frequency he receives his income. The following basic factors should be considered:

(a) Frequency of which the borrower receives his/her salary namely; e.g. daily, monthly.

(b) The borrower's income and financial commitments; i.e. disposable income.

(c) The borrower's creditworthiness based on the credit report (or enhanced credit report, should one be used in certain circumstances), such as:

(i) Loan repayment history of the various credits obtained by the borrower from credit suppliers, including licensed moneylenders.

(ii) Any other information relating to a person's financial standing, such as outstanding litigation, bankruptcy application/order and etc.

Granting a loan

2.3.2 Having considered the above information, a licensed moneylender should only lend to a borrower a loan with a quantum, attached with repayment terms and conditions that would unlikely result in a default in repayment by the borrower. This is to prevent the borrower from suffering further financial hardship and mental distress (through the chalking up of more borrowing costs and facing debt collection advances).

2.3.3 For example, a loan quantum that is equivalent to or higher than the one-month salary of a borrower, with a loan tenure that is barely more than a month, will probably cause further financial hardship to a borrower (assuming the salary is paid out monthly). Such a scenario, or any similar scenarios, should be avoided unless the borrower is able to provide substantial evidence to convince the licensed moneylender that the borrower will have legitimate source of funds to repay the loan when due. Licensed moneylenders are reminded that this check is important as receiving of funds that are illegal proceeds even as part of a business transaction without due diligence checks can constitute money laundering.

Applicant with pending bankruptcy application

2.3.4 To safeguard against lending to borrowers who, despite having made bankruptcy applications against themselves, continually take out loans with licensed moneylenders and not repaying the loans thereafter, licensed moneylenders are encouraged to consider adopting the following practices:

(a) Require loan applicants to expressly state in writing with signature (i.e. make a declaration), if he/she has made, or is aware that he/she is a subject of a bankruptcy application. Licensed moneylenders may also wish to enquire whether the loan applicants have any intention to file for bankruptcy in the near future (e.g. within two weeks, a month, etc.). In the event that a false declaration is made knowingly (i.e. potentially an element of deception), the licensed moneylender might be able to use it as a supporting material for seeking recourse, including through lodging a police report (e.g. for cheating). Communicate to loan applicants that in the event loan applicants are subsequently made a bankrupt (i.e., a bankruptcy order is made) the bankrupt may have committed an offence of incurring debt without reasonable ground of expectation of repaying it under the Insolvency, Restructuring & Dissolution Act 2018 or Bankruptcy Act.

(b) In the event that such a person referred to above is subsequently made a bankrupt (i.e. a bankruptcy order is made), the affected licensed moneylender may also consider lodging a report with the Insolvency & Public Trustee's Office for investigation to be considered against the bankrupt.

(c) Devise a risk assessment standard operating procedure that would help guide decision-making in obtaining an enhanced credit report for selective borrowers through the Moneylenders Credit Bureau, which would show information on bankruptcy application, bankruptcy proceedings and litigation.

2.4 *Communicating terms of loan to loan applicants and borrowers*

2.4.1 A licensed moneylender should make all efforts possible to exercise transparency and clearly communicate the terms and conditions of the loan to the applicant or borrower. Transparency and clear communication are important because:

(a) The borrower can then adhere to the terms and conditions, including repayment terms, closely.

(b) The borrower will less likely misinterpret the terms and conditions of the loan and engage the licensed moneylender in unnecessary disputes.

(c) The licensed moneylender will be less likely be inconvenienced by enquiries made by the Registry as a follow-up, resulting from a complaint from a borrower caused by the miscommunication at the time the loan was taken.

(d) Such fair and professional treatment to a borrower will likely create opportunities for future business relationships (including referrals).

2.4.2 Some key features of transparency and clear communication include:

(a) Using a language, or a mix of languages, that the borrower best understands.

(b) Avoiding the use of legal and technical terms; using layman terms as far as possible.

(c) Addressing the dates of repayments unambiguously instead of indicating only generic terms like “month”, “week”, or their grammatical variants, as reference to “a month” or “a week” can be interpreted differently by individuals.

(d) Providing various scenarios to explain the consequences of repayment defaults.

(e) Specifying what each cost component (i.e. administrative fees, interest rate, late interest rate, late fee) and repayment component (i.e. instalment size and the principal-interest composition for each instalment, and the instalment interval) is, and in dollar terms.

(f) If additional aid is provided to the borrower to assist him in making repayments on time, such as a repayment card, the entries on such an aid should be consistent with the contractual terms and conditions.

2.4.3 At no point in time should a licensed moneylender convey to a borrower, any instruction or advice that could lead to the borrower accepting disadvantageous loan arrangements[3] or making any repayment late unwittingly, thereby resulting in the licensed moneylender imposing late charges or additional charges without the borrower’s full knowledge. Contrary practices are likely to cause a borrower to feel that he had been misled by the licensed moneylender, which may in turn result in a complaint to the Registry or the Police.

[3] *Examples include making a borrower agree in taking up “re-loans”, “split loans” or “short-term loans”. Another example is verbally instructing a borrower to make repayment on a date that is later than the due date specified in the repayment schedule in the loan contract.*

What are the key features of a loan contract?

Common examples of key features are:

- ☐ **Loan term (tenure)**
- ☐ **Total loan amount**
- ☐ **Administrative fee**
- ☐ **Late interest rate**
- ☐ **Late payment fee**
- ☐ **Payment due date (to avoid late fee and late interest incurred)**

2.5 *Documents to be extended to borrowers*

2.5.1 For the purpose of fair practice, under the MLA and Moneylenders Rules 2009 ("**MLR**"), a licensed moneylender must extend the following documents to a borrower and/or his surety when a loan contract is taken out:

At the point of loan approval

(a) A copy of the duly completed loan application form submitted by a borrower when making a loan application.

(b) A copy of the Note of Contract (that contains all the terms and conditions of the loan, including all costs involved and the repayment schedule) to the borrower and surety.

After the loan approval

(c) A Statement of Account ("**SOA**") at every 6-month interval (in July and January) to be delivered to the borrower by postal mail[4] or email, at no cost to the borrower, for every loan that is subsisting as at 30 June and/or 31 December.

(At the request of a borrower, the licensed moneylender may extend the SOA to a borrower by hand.)

[4] *This includes a registered mail if the licensed moneylender sees the need to adopt such an approach.*

2.5.2 An SOA is very important to the borrower and licensed moneylender. It helps a borrower keep abreast of his outstanding loan status. It also helps the licensed moneylender in its communication with the borrower in a way that is formal and on record.

2.5.3 Under no circumstances should a licensed moneylender influence a borrower's decision to not receive the SOA. The statutory obligation to extend the SOA to the borrower by a licensed moneylender should be respected by the borrower and the borrower's consent is not relevant in this consideration.

2.5.4 In order to safeguard the licensed moneylender against an allegation of failure in the extension of the above documents, it is good practice for the licensed moneylender to incorporate in its procedures, a method to keep records that could prove the delivery of these documents.

2.6 *Updating of repayments and closure of loan accounts (loan closure)*

2.6.1 All updating of loan repayments should be done (in the MLCB and the licensed moneylender's IT system) by the licensed moneylender in a timely fashion to ensure accurate bookkeeping by the licensed moneylender. This will also assure borrowers that their loan records are accurate.

2.6.2 A licensed moneylender should devise adequate measures to identify payments made by individual borrowers, especially in the case of repayments made through cash deposits at the Automated Teller Machines ("**ATMs**"), so that repayments can be updated accurately.

2.6.3 When the loan of a borrower is settled in full, in addition to updating the repayment made, a licensed moneylender should issue to the borrower, a statement confirming that all dues have been paid and that the loan account has been closed.

2.7 *Repayment via General Interbank Recurring Order (GIRO) arrangement*

2.7.1 For improved transparency and communication with borrowers, licensed moneylenders should adopt the following practices when General Interbank Recurring Order (GIRO) arrangements are adopted/considered:

(a) Inform the borrower to terminate the GIRO arrangement with the relevant bank immediately when the loan is terminated or fully repaid.

(b) Explain the GIRO arrangement to the borrower at the point when a loan is disbursed and commence a fresh GIRO arrangement, where applicable.

(c) Exercise judgement in considering whether to retain the GIRO arrangement for frequent borrowers (e.g. usually borrows again within one week upon closure of a previous loan), and to seek the written agreement of such borrowers before proceeding with the arrangement.

2.8 ***Early repayment incentive***

2.8.1 Licensed moneylenders are encouraged to offer incentives to borrowers who make on-time repayments or settle their loans ahead of schedule. Examples of such incentives include:

(a) Discounts/rebates on interest and/or fees; and
(b) Preferential rates for future loans

2.8.2 Licensed moneylenders offering such incentives should clearly communicate the specific features to borrowers and explain how borrowers may qualify for them. Ideally, this should be done before the borrower takes the loan, at the time of loan enquiry. The details of the applicable incentives should also be documented in the notes of contract. The transparency offered by the above suggested approach may motivate the borrowers to strive for early repayment which is a win-win situation for both licensed moneylenders and borrowers.

2.9 ***Digital touchpoints***

2.9.1 Licensed moneylenders are encouraged to develop robust digital touchpoints to help existing and potential borrowers better manage their finances, such as making informed decisions when taking a loan and keeping track of the servicing of loans. Examples include:

(a) Establishment of a business website that provides the details of loan products, with clear presentation of borrowing costs, illustrations of typical loan repayment scenarios (with breakdowns on borrowing costs, late charges following repayment default, incentives/savings when repayment is done early or on time, etc.). This will help existing and potential borrowers understand the licensed moneylenders' products better and compare products across various licensed moneylenders, before approaching the licensed moneylender of choice to obtain a suitable loan product.

(b) Development of an online portal or a mobile application that allows borrowers to monitor their loan servicing at their convenience. Useful information that may be included are loan amortisation/repayment schedules, total principal/interest paid to-date, outstanding debt, and account balances.

2.9.2 These digital touchpoints provide transparency on loan products and loan status to potential and existing borrowers, which can help reduce instances of loan default, late payment, and misunderstandings with licensed moneylenders. Additionally, borrower testimonials can be featured on these touchpoints, which may benefit licensed moneylenders' businesses.

3 Professional debt recovery practices

3.1 *Responsibility of licensed moneylenders in debt recovery practices*

3.1.1 A licensed moneylender should be fully responsible and accountable for the conduct of all debt collectors acting on its behalf, in-house or outsourced. Licensed moneylenders are **encouraged** to have all debt collection activities conducted on borrowers documented.

3.1.2 An appointed debt collector should be equipped with accurate and up-to-date loan details when engaging a borrower[5] during debt recovery. Arming himself with information on the principal loan amount alone is grossly inadequate. The debt collector should be well-informed of:

(a) The total amount repayable that is due;

[5] *For the entire section 3 of this Handbook ("Professional Debt Recovery Practices"), "borrower" includes a guarantor or a surety.*

(b) The breakdown of the repayable components; and

(c) The circumstances of the loan defaults.

Doing so will allow the debt collector to advise the borrower convincingly, reducing chances of a dispute.

3.2 *Unprofessional debt recovery practices*

3.2.1 Unprofessional, anti-social or intimidating behaviour, or behaviour aimed at humiliating the borrower should be refrained in the course of debt recovery by a licensed moneylender or debt collector.

3.2.2 Examples[6] of unprofessional debt recovery practices include:

(a) Displaying a Letter of Demand ("**LOD**") to the borrower, or a picture of the borrower, at the door of the borrower's residence that will inform the public about the borrower's debt.

(b) Stalking the borrower.

(c) Pestering[7] the borrower with persistent phone calls and making telephone calls during times that would potentially inconvenience the borrower, his family or his work.

(d) Pestering the borrower, family members, colleagues and friends for information about the borrower's whereabouts.

(e) Pestering the borrower at his workplace or his employer to an extent that may affect the borrower's ability to properly perform his job duties.

(f) Using aliases/monikers to communicate with the borrower to achieve anonymity.

(g) Making anonymous calls and sending unidentifiable messages to the borrower.

[6] *These examples given are not exhaustive and meant to give users of the Handbook an idea of the approaches that are discouraged. Negative examples that clearly amount to an offence under law, such as causing hurt to a person, criminal intimidation, criminal force, etc., are intentionally left out.*

[7] *For the avoidance of doubt, 'pestering' is to trouble or annoy someone with persistent requests or interruptions even when the message has been received by the respondent.*

(h) Making false or misleading representation[8] with intent to induce the borrower to make a payment.
(i) Taking to social media platforms to shame the borrower; e.g. announcing publicly that the borrower does not repay his/her debt.
(j) Using abusive or vulgar language or gestures on the borrower.
(k) Adopting threatening behaviours like shouting in an argument, asking a borrower to "watch out", gesticulating and aggression.

3.3 *Telephone etiquette*

3.3.1 It is common for a licensed moneylender, either by himself or through an engaged debt collector, make telephone calls or send mobile text messages to a borrower to either remind the latter to make a repayment or demand payment of a defaulted loan. In addition to taking into consideration the guidance given at sections 3.1 and 3.2, the following should be observed when communicating with a borrower via phone:

(a) Calls and mobile text messages should only be made/sent to a borrower and not a third party.

(b) These modes of contact should not be used excessively to harass, annoy or cause distress to the borrower.

(c) Unless the borrower has consented in writing previously, calls should be made, and text messages should be sent at the following timings:

(i) Monday to Friday: 8am to 10pm
(ii) Weekends or Public Holidays: 9am to 9pm

3.4 *Approaches with a borrower when serving a letter of demand*

3.4.1 There is strong impetus for a licensed moneylender to approach a defaulting borrower in a professional manner during debt recovery as:

(a) It would increase the chances of the borrower being persuaded to repay the debt.

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[8] *Such as falsely claiming that an action can be legally pursued when it is in fact not the case.*

(b) It would lower the chances of the borrower making a complaint of harassment with the Registry or the Police, which will certainly result in inconvenience caused to the licensed moneylender.

3.4.2 When serving a LOD to a borrower to pursue a debt, it is professional practice for a licensed moneylender to adopt the least intrusive mode of contacting the borrower, and to progressively escalate the mode of contact only where necessary. Contact with a borrower should preferably be done in the following sequence and methods:

(a) First, by mail.

(i) For the purpose of ensuring confidentiality of borrower information, the LOD should be enclosed in an envelope revealing only the name and the address of the borrower.

(ii) Additionally, only the business name of the debt collection agency and/or the licensed moneylender should be reflected on the reverse side of the envelope for the purpose of mail return in the event of an unsuccessful delivery.

(b) Next, by a visit to the borrower's place of residence to issue the LOD.

(i) Visits to the borrower's residence should only be considered when all other forms of non-face-to-face contact have been exhausted. Such visits should be conducted at the following timings:

a. Monday to Friday: 8am to 10pm
b. Weekends or Public Holidays: 9am to 9pm

(ii) The LOD should be enclosed in an envelope as described at section 3.4.2(a) and served on the borrower where possible.

(iii) If necessary, a conversation with the borrower (or a house occupant) may take place, and the guidance given at sections 3.1 and 3.2 should be observed.

(iv) In the event that the borrower is not at home, the envelope may be handed over to a house occupant. While the purpose of the visit may be revealed to this house occupant, loan details should not be shared.

(v) In the event that this mode of contact is pursued, the house occupants and neighbours should not be inconvenienced, and refusal by these persons to cooperate with the licensed moneylender/debt collector should be respected as these persons are not a party to the loan.

(c) Visiting the workplace of a borrower <u>as a last resort</u>.

(i) A visit to the workplace of a borrower carries the risk of the borrower losing his job or being rated negatively by his supervisors or colleagues. Thus, such an approach should be avoided unless all other modes of contacting the borrower have failed.

(ii) The visit should be kept very brief and once the envelope containing the LOD is delivered, the licensed moneylender or debt collector should leave the premises expeditiously.

(iii) In the event that the borrower is not available, the envelope containing the LOD may be handed over to the receptionist (if there is one) or a colleague (if no receptionist is available).

(iv) When engaging with any person in a conversation, including the making of a request to speak with the borrower, the guidance given at sections 3.1 and 3.2 should be observed.

(v) In the event that this mode of contact is pursued, any advice by the workplace occupants (including the borrower) for the licensed moneylender or debt collector to leave the premises should be adhered to, as a refusal to heed the advice may give rise to a case of trespass.

3.4.3 A licensed moneylender or debt collector may find it needful to contact the borrower via phone in the course of demanding payment of a defaulted loan. These phone communications should follow the guidance given at section 3.3.

4 *Advertisements & Publications*

4.1 A licensed moneylender should ensure that all advertising and promotional materials are fair and reasonable, do not contain misleading information and comply with the “Registrar’s Directions on Advertising & Marketing Activities of Licensed Moneylenders” (“**Advertising & Marketing Directions**”).

4.2 A licensed moneylender should not broadcast or upload videos of debt collection activities on any online platforms.

4.3 A moneylender should be ready to withdraw any advertising and promotional materials if they become aware that the information provided is not accurate, not clear, or misleading.

5 *Debt assistance scheme*

5.1 Licensed moneylenders often play the role of fulfilling borrowers’ need to obtain credit quickly to tide over a challenging financial situation. These borrowers may have exhausted other avenues to obtain credit and may face future challenges in repayment. It is thus important for licensed moneylenders to devise schemes that would assist distressed borrowers in repaying the loans in a timely manner to avoid excessive borrowing costs and repayment-related distress. Licensed moneylenders would benefit too, with improved debt recovery rates.

5.2 A licensed moneylender is strongly encouraged to equip itself with loan performance monitoring mechanisms to detect poor performing loans (i.e. loans already in default or likely to be in default). In the event that a licensed moneylender notices any indication, either from its own monitoring mechanism or through borrower engagement, that a borrower is genuinely in deep financial difficulties and thus unable to fulfil his obligation to repay his loan, the licensed moneylender is strongly encouraged to proactively assist the borrower by:

(a) Restructuring the loan repayment to one that will suit the borrower’s financial situation,

(b) Referring the borrower to a Social Service Agency (“**SSA**”) for assistance and subsequently partnering the SSA in restructuring the loan repayment, and/or

(c) Referring the borrower to an SSA for consideration to be placed on a debt consolidation scheme.

6 *Debt consolidation scheme*

(a) The debt consolidation scheme is an arrangement under which an SSA negotiates with a licensed moneylender on behalf of a borrower to obtain a debt consolidation loan from the licensed moneylender. To qualify for the scheme, the borrower must undertake not to apply for or obtain another loan from any licensed moneylender for the duration of the scheme (see section 6(c) below).

(b) A debt consolidation loan refers to a loan granted by a licensed moneylender under the debt consolidation scheme to a borrower for the purpose of enabling the borrower to repay **all** outstanding debts owed by the borrower to all licensed moneylenders. For avoidance of doubt, loans granted under the debt consolidation scheme must not be used to repay outstanding debts owed to non-licensed moneylenders.

(c) To undertake not to apply for or obtain a loan, the applicant can register to be an excluded person via the MLCB's website (https://www.mlcb.com.sg) with his SingPass. Where the applicant is a foreigner who does not have a SingPass account, he may authorise a SingPass account holder ("authorised person") to submit the application on his behalf, provided that the authorised person submits, along with the application, a duly completed authorisation form.

6.1 *Granting a debt consolidation loan*

6.1.1 The borrower must submit Form A along with the loan application for a debt consolidation loan to the licensed moneylenders for their consideration. This is to prove that he visited an SSA which had helped to negotiate with the licensed moneylenders on the debt consolidation loan.

6.1.2 If the licensed moneylenders decide to grant a debt consolidation loan, the licensed moneylenders should check whether the loan amount applied for would have exceeded the aggregate unsecured loan cap.

6.1.3 After approving the loan application, the licensed moneylenders should ensure that the borrower has successfully registered to be an excluded person before disbursing the loan amount to the borrower. The licensed moneylenders may request the borrower to forward the confirmation email sent by the MLCB to prove his successful registration as an excluded person.

6.1.4 In addition to section 32 of the MLA and rule 8 of the MLR, every licensed moneylender should explain and inform the borrower in writing of the following matters:

(a) The circumstances under which the debt consolidation scheme will fail, including if the borrower defaults on any repayment of an instalment under the debt consolidation loan; and

(b) The effects of the failure of the debt consolidation scheme, including that the borrower will no longer be able to obtain a loan from any licensed moneylender if his debt consolidation loan amount exceeds the relevant aggregate unsecured loan cap applicable to him.

6.2 *Retention of documents*

The licensed moneylenders should also retain any document, including Form A and the confirmation email, supporting the granting of a debt consolidation loan for the same period stipulated under section 38(1)(a) of the MLA.

CONTACT DETAILS OF SOCIAL SERVICE AGENCIES

1.	**Adullam Life Counselling**	
	Address	315 Outram Road #15-02 Tan Boon Liat Building Singapore 169074
	Phone numbers	6659 7844 / 9423 8832
	Email	admin@adullam.org.sg
2.	**Association of Muslim Professionals (AMP)**	
	Address	1 Pasir Ris Drive 4 #05-11 Singapore 519457
	Phone numbers	6416 3960
	Email	corporate@amp.org.sg
3.	**Arise2Care Community Services**	
	Address	No. 5 Harper Road #02-01A Singapore 369673
	Phone numbers	6909 0628
	Email	admin@arise2care.sg
4.	**Blessed Grace Social Services**	
	Address	16 Arumugam Road, #04-02B LTC Building D Singapore 409961
	Phone numbers	8428 6377
	Email	billy.lee@blessedgrace.org
5.	**Credit Counselling Singapore**	
	Address	51 Cuppage Road #07-06, Singapore 229469
	Phone numbers	6 2255 227 / 6338 2663
	Email	enquiry@ccs.org.sg
6.	**One Hope Centre**	
	Address	8 New Industrial Road #04-04B LHK 3 Building Singapore 536200
	Phone numbers	6547 1011
	Email	help@onehopecentre.org
7.	**Silver Lining Community Services**	
	Address	11 Playfair Road Singapore 367986
	Phone numbers	6749 0400
	Email	admin@silver-lining.org

RELEVANT LAWS & REGULATIONS

Moneylenders Act 2008	https://rom.mlaw.gov.sg/information-for-moneylenders/relevant-laws-and-regulations
Moneylenders Rules 2009	
Registrar's Conditions for the Grant of Moneylender's Licence ("***Licence Conditions***")	
Moneylenders (Prevention of Money Laundering, Terrorism Financing and Proliferation Financing) Rules 2009	
Directions of the Registrar under Section 29 read with Section 45 (1) of the Moneylenders Act 2008 regarding the Advertising & Marketing Activities of Licensed Moneylenders	
Penal Code 1871	https://sso.agc.gov.sg/Act/PC1871
Debt Collection Act 2022	https://sso.agc.gov.sg/Act/DCA2022
Personal Data Protection Act 2012	https://www.pdpc.gov.sg/Overview-of-PDPA/The-Legislation/Personal-Data-Protection-Act
Protection from Harassment Act 2014	https://sso.agc.gov.sg/Act/PHA2014/
Vandalism Act 1966	https://sso.agc.gov.sg/Act/VA1966

Enquiries about the Professional Service Handbook should be addressed to:

Registry of Moneylenders

Ministry of Law

45 Maxwell Road, #07-11, URA Centre (East Wing), Singapore 069118

T 1800 2255 529

Enquiry Form on https://www.go.gov.sg/contactminlaw

FORM A: DEBT CONSOLIDATION SCHEME ASSESSMENT BY SSA

<table>
<tr><th colspan="5">PART I - PARTICULARS OF BORROWER
(all fields are mandatory)</th></tr>
<tr><td>Name</td><td colspan="4">(as in identification document)</td></tr>
<tr><td>ID No.</td><td></td><td>Work Pass No.
(if any)</td><td colspan="2"></td></tr>
<tr><td>Citizenship</td><td>☐ Singapore / PR
☐ Others – please specify:
______________________</td><td>Nationality</td><td colspan="2">☐ Singaporean
☐ Others – please specify:
______________________</td></tr>
<tr><td>Address</td><td colspan="4"></td></tr>
<tr><td>Correspondence Address</td><td colspan="4">(if different from above)</td></tr>
<tr><td>Contact Details</td><td colspan="4">_____________________ (mobile) _____________________ (home)
Email address: ____</td></tr>
<tr><td>Employment Status</td><td colspan="4">☐ Employed
☐ Unemployed</td></tr>
<tr><td>Monthly Income
(after CPF deduction)</td><td colspan="4"></td></tr>
</table>

____

Signature by the Borrower (with date & time)

I agree that the information given under Part I is accurate, and I understand that with this form, I may approach any of the licensed moneylender listed under Part III to take a debt consolidation loan.

PART II – DETAILS OF SOCIAL SERVICE AGENCY *(all fields are mandatory)*			
Name		**UEN**	
Address			
Name of Officer			
Contact Details	___________________ (mobile) _________________ (office) Email address: ____________________________________		
PART III - ASSESSMENT BY SOCIAL SERVICE AGENCY			
Does the total outstanding amount owed by the borrower exceed the relevant aggregate unsecured loan cap?			☐ Yes ☐ No
☐ *Having considered the circumstances of the borrower, it is in my opinion that it is in the best interests of the borrower to apply for a debt consolidation loan.*			
Names of licensed moneylenders and their officers			
Notes of negotiation *(please attach a separate sheet if there is insufficient space)*			
Date and time of negotiation			

____

Signature by the Officer of the Social Service Agency
(with date & time)
I agree that the information given under Part II & III are accurate.