

FSC CHAIRMAN ATTENDS MEETING ON CREDIT RECOVERY SUPPORT

- Provision of credit recovery support for up to 2.9 million individuals expected to help those with previous delinquency history.
 - Individual debt restructuring support program expected to be bolstered.
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Chairman Kim Joo-hyun of the Financial Services Commission attended a meeting held at the National Assembly on January 11 on the issue of providing credit recovery support for individuals and small business owners.

At the meeting, participants talked about the difficult circumstances experienced by those who have acquired late payment history on loans due to COVID-19, high interest rates and high inflation, even when after they are finished with making payments on their loans due to a prolonged stigma attached to credit delinquency for a certain period of time.

In this regard, considering the severity of economic situation, FSC Chairman Kim asked the financial sector to seek active ways to provide credit recovery support as it was previously made available during the similarly difficult times in January 2000, May 2001 and August 2021. More specifically, Chairman Kim asked the financial sector to make assistance available for the borrowers who accrued late payments of maximum KRW20 million between September 2021 and January 2024 and have completely paid up their late payments in full, as an extension of the same credit recovery support measure made available for them since August 2021.

In addition, Chairman Kim said that the individual debt restructuring program offered by Credit Counseling & Recovery Service needs to be bolstered to take into account the fact that about forty percent of delinquent borrowers are those who are behind their mobile phone bills. In this regard, Chairman Kim added that an integrated and more comprehensive debt restructuring program needs to be made available, joined by telecommunication service providers.

The financial sector agreed to finalize a plan on credit recovery support by early next week. The authorities expect that some 2.9 million individuals will benefit from the credit recovery support as their credit delinquency history will be erased from the record.

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