

NEW CREDIT FINANCE MICROLOAN PRODUCT TO HELP EXPAND MICROFINANCE OPPORTUNITIES

The FSC announced that a new credit finance sector-based microloan product (“Sunshine Loan Card”) will be launched on October 27 as part of the authorities’ plan for improving and making microfinance services more diverse.¹

Individuals who have completed the required educational program on personal credit management, have annual disposable income of at least KRW6 million, are in the bottom 10 percentile group in terms of personal credit ratings and have no credit cards of their own at the time of applying for a guarantee at the Korea Inclusive Finance Agency (KINFA) are eligible to apply for a “Sunshin Loan Card” with the maximum support of KRW2 million.

After receiving an approval for credit guarantee from the KINFA, applicants may choose one of the seven credit card companies that have partnerships with the microfinance program for their credit card issuance.

The authorities expect that the new credit card-based microloan service will help increase convenience and expand opportunities for lower income earners and those with low credit standings who have been denied access to traditional credit finance channels before.

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For press inquiry, please contact Foreign Media Relations at fsc_media@korea.kr.

¹ Please click [here](#) to see earlier announcement dated March 30, 2021.