

Financial Institutions | Real Estate

MAS Revises Notices on Residential Property Loans: Enhanced Disclosure of Interest Rate in Fact Sheet

On 14 December 2022, the Monetary Authority of Singapore ("**MAS**") issued the following revised MAS Notices on residential property loan fact sheets (collectively, "**MAS Notices**") for the relevant financial institutions ("**FIs**"):

- (a) For banks: [Notice 632A Residential Property Loans- Fact Sheet](#);
- (b) For merchant banks: [Notice 1106A Residential Property Loans- Fact Sheet](#);
- (c) For direct insurers: [Notice 115A Residential Property Loans- Fact Sheet](#); and
- (d) For finance companies: [Notice 825A Residential Property Loans- Fact Sheet](#).

Before granting a residential property loan to a borrower, the FI is required to provide and explain to the borrower a fact sheet containing key information of the residential property loan. The MAS Notices set out the information that must be provided in the fact sheet and how the FI should deliver and explain to the borrowers.

Key Amendments to the MAS Notices

The key changes to the MAS Notices are intended to:

- (a) Make the process easier for FIs to obtain acknowledgements from borrowers on the Fact Sheet digitally (e.g. through electronic signatures) or from an authorised joint-borrower on behalf of other borrowers; and
- (b) Require FIs to disclose in the Fact Sheet the possible interest rate changes as well as alternative arrangements that FIs will provide to borrowers should they make unexpected interest rate changes after borrowers have committed to a property loan.

Transition Period

FIs will be given a six-month transition period, from the date the revised MAS Notice is issued, for the amendments to take effect. The transition period is to allow FIs to make changes to their system and adopt the format of the new Fact Sheet. To allow borrowers to make informed decisions in the high interest rate environment, MAS has urged FIs to implement these changes on enhanced disclosures as soon as practicable.

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By way of background, MAS issued a Consultation Paper on the proposed revisions to the MAS Notices on 18 November 2021. The consultation exercise ended on 14 January 2022, and MAS published its Response to Feedback Received on the Consultation Paper ("**Response**") on 14 December 2022. For more information, please refer to the [Consultation Paper](#) and [Response](#) (available on MAS website at www.mas.gov.sg).

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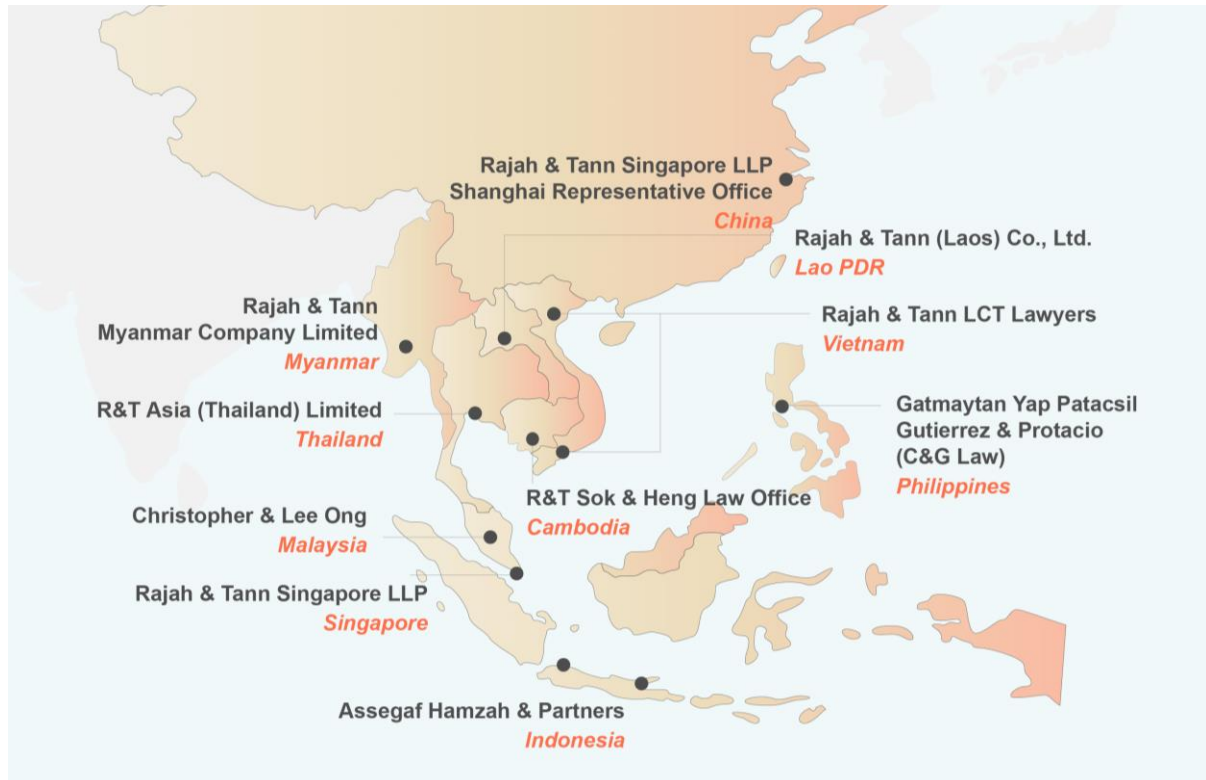
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