

New Measures on Credit Cards to Promote Prudent Financial Management and Responsible Business Practices

Bank Negara Malaysia (BNM) has announced new measures on credit cards effective 18th March 2011. For more details on the new credit card guidelines, please visit <http://www.bnm.gov.my/index.php?ch=8&pg=14&ac=2226>

Frequently Asked Questions (FAQs)

1. When will the requirement for minimum annual income of RM24,000 for credit card application take effect?

It will take effect immediately.

2. How will these new guidelines affect the criteria for credit card application?

- a) Principal applicants will have to be 21 years old with a minimum annual income of RM24,000. (Previous guideline: Principal applicants will have to be 21 years old with a minimum annual income of RM18,000)
- b) Principal applicants with a minimum annual income of RM36,000 or less per annum can only hold credit cards from a maximum of two issuers. For example, Cardholder A with an annual income of RM35,000 who is currently holding credit cards from only one issuer or less may choose to apply for a new credit card from another issuer.

3. When will the requirement to hold credit cards from a maximum of two issuers take effect?

Existing cardholders who currently hold credit cards from more than two issuers have until 31 December 2011 to select their preferred card issuers.

4. What happens if I do not make my selection for my preferred card issuers by 31 December 2011?

Effective 1 January 2012, cardholders shall ensure that they hold credit cards from a maximum of 2 issuers and their eligibility shall be reviewed by their issuers on the anniversary date of the card. Issuers shall not extend the credit card facility to the cardholder if the cardholder has fulfilled its quota of holding credit cards from 2 issuers.

5. What is the maximum credit limit granted for each cardholder whose income is RM36,000 or less per annum?

The maximum credit limit allowed is two times the cardholder's monthly income per issuer. For example, Cardholder A with a monthly salary of RM3,000 may be granted a maximum credit limit of up to RM6,000 per issuer subject to a maximum of 2 issuers.

6. What happens if I'm currently holding a total credit limit which exceeds 2 times my monthly salary?

For cardholders with a minimum annual income of RM36,000 or less, the Bank will contact you to discuss the options available for you to meet this new requirement.

7. When must I settle my outstanding balances for the credit cards that I've cancelled to meet the requirement affecting cardholders with a minimum annual income of RM36,000 or less?

Cardholders are given two years to pay off their outstanding credit card debts for the credit cards that have been canceled for the purpose of meeting this requirement.

8. If an existing cardholder (with a minimum annual income of RM36,000 or less) has outstanding balances exceeding the credit limit of two times of his monthly income, when must he settle the amount in excess?

Cardholders are given two years grace period (until 1 April 2013) to settle the amount in excess of the maximum credit limit.

9. How can I settle my outstanding balances?

Prior to making any change to your credit limit, the Bank will contact you to discuss the restructuring options with you.

10. What happens if I am a pensioner or retiree and do not have an income so to say?

The income requirement and the restrictions on the number of credit cards and maximum credit limit do not apply to pensioners and retirees. Card issuers will continue to assess their credit worthiness based on the Bank's internal criteria.

11. How do I compare credit card features, fees and obligations as a cardholder?

This information is available from the respective Product Disclosure Sheet provided by the issuers.