

For Immediate Release

**MOTOR VEHICLE LOAN RESTRICTIONS EXTENDED TO NON-MAS
REGULATED FINANCIAL ENTITIES FROM 6 APRIL 2013**

1. From 6 April 2013, car buyers who are seeking motor vehicle loans in the form of hire purchases or conditional sale agreements from non-MAS regulated credit/leasing companies will be subjected to similar loan restrictions imposed by the Monetary Authority of Singapore (MAS). However, second-hand cars registered under the Land Transport Authority's Temporary Transfer Scheme as of 4 March 2013 will be exempted from the financing restrictions, if the agreement to purchase such used cars is dated between 6 April and 4 June 2013 (both dates inclusive).
2. This is an extension of the recent MAS financing restrictions on motor vehicle loans granted by MAS-regulated financial institutions. Specifically:
 - (i) A hirer will need to pay the minimum deposit of 40% for cars with open market value (OMV) below \$20,000 and a minimum deposit of 50% for cars with OMV above \$20,000¹; and
 - (ii) The maximum loan tenure is capped at 5 years.
3. The above limits will be introduced via the new Hire Purchase Regulations, made under the Hire Purchase Act. The provisions within the Hire Purchase Regulations are similar to MAS's loan restrictions to ensure consistency across both sets of regulations.

MINISTRY OF TRADE AND INDUSTRY
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¹ The age of a vehicle will be taken into account when determining the appropriate loan to value ratio.