



HSBC's Debt Consolidation Plan (DCP)

Purpose

Debt Consolidation Plan (DCP) consists of a debt consolidation (DC) facility and a revolving credit facility.

DC is a term loan, with a fixed monthly repayment amount, that enables you to transfer outstanding* in respect of your existing unsecured credit facilities (excluding joint unsecured credit facilities) from all Financial Institutions (FIs) to a single FI. This will enable you to better pay down and manage your finances.

In addition, a revolving credit facility, in the form of a credit card, will be granted upon approval of the DC facility.

** Refers to total outstanding in respect of unsecured credit facilities such as credit card, revolving line of credit facility and personal loans. Excluded unsecured credit facilities are joint accounts and specific purpose loans (e.g. renovation loan and education loan).*

Eligibility to apply

1. Nationality: Singaporean or Singapore Permanent Resident (PR)
2. Annual income: S\$30,000 and less than S\$120,000
3. Total interest bearing balances[^] in respect of unsecured credit facilities with financial institutions in Singapore exceed 12 times monthly income

[^] Interest bearing balances include amounts rolled over on credit card and balances outstanding on unsecured loans that accrue interest.

Key Product Benefits

Consolidation of outstanding

- having only one (1) DC account to manage
- ease of repayment of having to deal with only one (1) FI
- better control of finances with disciplined fixed monthly repayment

Attractive interest rate

- enjoy interest savings
- faster pay down of outstanding

Loan tenor

- available from one (1) to 10 years for affordable monthly repayment (*conditions apply*)



Revolving credit facility

- enjoy perks and benefits with HSBC Visa Platinum credit card
- enjoy annual fee waiver
- credit limit equivalent to your monthly income

Process

Step 1:

submit DCP application with all required documents

Step 2:

HSBC will review application

Step 3:

upon approval, HSBC will notify all other FIs with whom you have unsecured credit facilities and all your existing unsecured credit facilities, including joint unsecured credit facilities, if any, (with HSBC and other FIs) will be suspended

Step 4:

you will receive your HSBC Visa Platinum credit card

Step 5:

HSBC will credit the funds directly to the relevant FIs to repay the outstanding under your existing unsecured credit facilities (excluding joint unsecured credit facilities)

Important points to note

Application

1. You should not have a pending application for DCP with another FI.
2. If you are proceeding with the DCP application with HSBC, you shall not apply for DCP with any other FI unless you have been notified that the application with HSBC is unsuccessful.
3. The maximum amount of the DC facility is equivalent to the total outstanding on your designated accounts (based on the latest statements provided) as determined by HSBC plus a buffer of 5%.
4. You should not have any existing DCP with any FI unless you are applying to refinance an existing DCP and more than three (3) months has passed since the commencement of the existing DCP.

Approval of application

1. You will receive a notification letter upon approval of your DCP application with HSBC.
2. No cancellation is allowed upon approval of the DCP application.
3. All existing unsecured credit facilities (including joint unsecured credit facilities but excluding specific purpose loans (e.g. renovation loan and education loan)) with HSBC, if applicable, will be suspended/ terminated.
4. All existing unsecured credit facilities (including joint unsecured credit facilities but excluding specific purpose loans (e.g. renovation loan and education loan)) with other FIs, will be suspended/ terminated.
5. You shall be fully responsible for terminating any existing recurring/ GIRO arrangements you may have on your existing unsecured credit facilities. You will also need to make alternative payment arrangements with your respective billing organisations.
6. Disbursement will be made to your designated accounts with HSBC and other FIs (as the case may be), to repay the outstanding. You will need to make up for any shortfall (if any).
7. You will not be able to apply for fresh/ new unsecured credit facilities (ie. credit card, line of credit facility and personal loans) unless your overall BTI (Balance-to-Income) reduces to below four (4) times your monthly income. (Note: $BTI = \frac{\text{Aggregate interest-bearing unsecured outstanding balance}}{\text{monthly income}}$).

Revolving credit facility - HSBC Visa Platinum credit card

1. A revolving credit facility in the form of a HSBC Visa Platinum credit card is automatically granted as part of DCP upon approval. Opt out/ cancellation is not allowed throughout the duration of the DCP.
2. Annual fee will be waived on this revolving credit facility under the Debt Consolidation Plan. Other fees and charges associated with HSBC Visa Platinum Credit Card will apply.
3. Credit limit is fixed at one (1) time monthly income.
4. You can apply for a credit limit review in the event of an increase in your monthly income. However, temporary credit limit increase is not allowed.
5. The HSBC Visa Platinum credit card will be suspended from further usage when any of your unsecured credit facilities (including DC facility) is delinquent.
6. Upon full repayment of DC loan or when new unsecured credit facilities (ie. credit cards, line of credit facility and personal loan) are granted or when the cumulative total outstanding amount under your Unsecured Credit Facilities is less than four (4) times your monthly income, the HSBC Visa Platinum credit card will be further subjected to BTI (Balance-To-Income) suspension, where applicable.



Applicable for DCP refinancing only

1. Existing DCP has to be opened for at least three (3) months with another FI before you can apply for DCP refinancing with HSBC.
2. A revolving credit facility in the form of a HSBC Visa Platinum credit card is automatically granted as part of refinanced DCP upon approval. Opt out/ cancellation is not allowed throughout the duration of the refinanced DCP.
3. The amount of the refinanced DC loan is equivalent to the total outstanding of your existing DC loan excluding the outstanding in your existing revolving credit facility, if any. The outstanding in your existing revolving credit facility will be repaid from your HSBC Visa Platinum credit card.
4. The credit limit for the HSBC Visa Platinum credit card is equivalent to your monthly income (based on the latest income document submitted for refinanced DCP).
5. In the event the outstanding under your existing revolving credit facility is higher than the credit limit to be granted under the HSBC Visa Platinum credit card, you will have to make up the shortfall before HSBC reviews your refinanced DCP application.