

NEW GUIDELINES ON CREDIT CARD APPLICATION, NUMBER OF CARDS & CREDIT LIMIT

In line with the issuance of the revised Credit Card Guidelines on 18 March 2011, the minimum income eligibility for new credit cardholder is set at RM24,000 per annum. Credit cardholders who earn RM36,000 per annum or less can only hold credit cards from a maximum of two (2) issuers. In addition, the maximum credit limit extended to the credit cardholder shall not exceed 2 times of their monthly income per issuer.

For more details on these new guidelines, please refer to the FAQ below:

1. What is the minimum income requirement on the new credit card guideline?
Effective 18 March 2011, the minimum income requirement to apply for a new credit card is RM24,000 per annum.
2. How will these new Credit Card Guidelines affect the criteria for credit card application?
Applicants who earn an annual income of RM36,000 or less are required to adhere the new eligibility requirements as below:
 - a) Principal applicants will have to be 21 years old with a minimum annual income of RM24,000.
 - b) Principal applicants can only hold credit cards from a maximum of two issuers.
 - c) Maximum credit limit extended to a credit cardholder per issue shall not exceed 2 times of their monthly income.
3. My current earning is above RM36,000 and I hold credit cards from 2 issuers, can I still apply for new credit card from another issuer?
Yes, you may still apply. The new Credit Card Guidelines is applicable to those who earn RM36,000 or less.
4. Are the new eligibility criteria applicable to new credit card applications only?
The minimum income requirement of RM24,000 per annum is applicable for new credit card applications; however the maximum of two (2) issuers and the credit limit of 2x monthly salary are applicable to both new and existing credit cardholders who earn RM36,000 per annum or less.
5. Are the new guidelines applicable to supplementary cardholders?
The requirements are applicable to principal cardholders. However, the supplementary cardholders will also be affected as all supplementary cards are tagged to the principal cards.
6. What should I do if I earn RM36,000 per annum or less and currently have credit cards from more than two (2) issuers?
Credit cardholders are given until 31 December 2011 to select their preferred two (2) issuers and to cancel other credit cards with the remaining issuers.
7. What happens if I do not make my selection for my preferred two (2) issuers by 31 December 2011?
Effective 1 January 2012, all credit card issuers will review their credit cardholders on their card anniversary. Issuers shall not extend the credit card facility to the credit cardholder if the cardholder has fulfilled its quota of holding credit cards from two (2) issuers.
8. How many cards can I hold with 1 issuer?
There is no limit set on number of credit cards allowed from 1 issuer. For example, you hold 2 credit cards and both are issued by Hong Leong Bank (Hong Leong Fortune Card and Hong Leong Business

Platinum), this mean you are still allowed to apply credit card from another different issuer.

9. I'm your existing credit cardholder for many years; will I be affected by these new guidelines?
These new guidelines are applicable for both new and existing credit cardholders. Existing credit cardholders are advice to update the Bank their current annual income with latest income document such as 1 month salary slip, EA form or LHDN receipt.
10. My current salary is RM 4,000, how come the Bank is requesting me to declare my annual income and submit latest income documents?
The Bank's record shows that your annual income provided previously is RM36,000 or less. Therefore it is important that you provide the Bank your latest income document in order for the Bank to update your information accordingly.
11. What will happen if I fail to provide the Bank my latest income document?
Your record will remains as annual earning of RM36,000 or less and upon your card anniversary the Bank will have to review you and act accordingly to the new guidelines.
12. What happens if I'm currently holding a total credit limit which exceeds 2 times my monthly salary?
For credit cardholders with an annual income of RM36,000 or less, your credit limit will be reduced accordingly.
13. If the Bank reduce my credit limit to 2 times of my monthly salary, I will have outstanding balances exceeding the new credit limit will I be given time or I have to settle the excess immediately?
Credit cardholders can choose either to pay the excess amount immediately or given two years grace period to settle the amount.
14. When must I settle my outstanding balances for the credit card either cancel by the Bank or myself in order to meet the new Credit Card Guidelines?
Credit cardholders are given maximum of two years to pay off their outstanding balances for those credit cards that are cancelled due to the new guidelines requirement.