

## **MR SPEAKER SIR**

Thank you for allowing me to join this debate.

Before us today is the Moneylenders Amendment Bill.

First of all, I would like to point out the unique role Money lenders play in our economy. Outside of not meeting the strict criteria of traditional banks, people often seek licensed Moneylenders for

- Faster loan approval rates and for the
- Ease of getting short term urgent loans

Also, the presence of licensed money lenders helps to regulate and reduce the influence of unlicensed lenders who are often predatory in their behavior. I believe tightening our laws for the betterment of society is an on-going commitment, ...and these amendments serve to strengthen the role and the work of licensed Moneylenders. For a small but competitive economy like ours, these amendments help to further enhance Singapore's standing as a financial centre.

Mr Speaker sir, the amendments to the Moneylenders Act will impact both businesses and borrowers. There are also some potential challenges which the industry players will have to face. Allow me to elaborate on these issues:

I would first like to address the Impact of this bill on Business:

Those Business owners engaged in moneylending activities will face both challenges and opportunities. Borrowing could be made easier as the Bill will bring Changes to the Credit Reporting process which will allow moneylenders to request credit reports on sureties without explicit consent, potentially streamlining the loan approval process. Borrowers with favourable credit histories may benefit from potentially expedited loan approval processes as moneylenders can assess creditworthiness more efficiently. These amendments also enhance transparency and foster an environment where borrowers can expect fair and accountable lending practices. This may lead to quicker assessments of borrowers' creditworthiness. It also contributes to a more regulated and accountable financial ecosystem.

Also, with the Expanded Borrower Information Disclosure in Clause 16 --Licensees will have the ability to request and disclose borrower information for specific purposes which might provide moneylenders with more comprehensive insights, potentially allowing for more informed lending decisions.

However, On the flipside, borrowing could be made harder- as the enhanced security measures will require increased resources for compliance with the new regulations.

As credit reporting takes centre stage it expands the functions of designated credit bureaus through clause 12, which aims to provide more information for assessing creditworthiness through collection, use and disclosure of borrower information and data. While this could be beneficial, it may also introduce additional steps in the lending process. Borrowers, especially those seeking loans with sureties will be directly affected.

These amendments also introduce new requirements for information submission to designated credit bureaus and empower moneylenders to request credit reports on sureties without explicit consent - these new requirements could impact the loan application and approval process. For example, SMEs, already grappling with higher operational and labour costs, may find the stringent protocols introduced by the bill to be a significant hurdle.

This Bill also introduces clauses on Digital Statements and Record-Keeping- While these options could enhance convenience, .....there might be challenges for borrowers if there is an eventual full transition to Digital methods, and could deter less tech savvy borrowers. The Designated credit bureaus will see expanded functions, including the collection, use, and disclosure of borrower information.....Will this expanded authority of the designated credit bureaus and data sharing with public sector agencies raise privacy concerns among borrowers and potentially deter borrowing?

Balancing the greater need for information sharing with protecting borrower privacy becomes a delicate challenge

Along these lines, Mr Speaker Sir, - I have the following clarifications for the Minister/SPS

Empowering the Registrar to share borrower or loan information with public sector agencies raises questions about the safeguards in place to protect individuals' privacy.

1. Could the SPS/Minister please Clarify on the criteria for information sharing, data security measures, and oversight mechanisms, especially in light of recent information leaks?
2. The amendments also empower moneylenders to request credit reports on sureties without explicit consent. I would also request clarification on the conditions and limitations surrounding this provision.

In the Amendment there is also the introduction of a new criminal offense for wrongful demands of payment.

3. Could the SPS/Minister please explain what constitutes a "wrongful demand" and the factors considered when determining this.

In summary:

I believe the Money Lender's Bill and amendment protects consumers and maintains financial stability. Notwithstanding my request for some clarifications, I stand in support of the bill.

Thank you, Mr Speaker.