




Financial Services Regulatory Commission

Circular No. 1 of 2026

To: All Registered Co-operative Societies (Credit Unions)

From: Morvin Williams 
Director of International Banks and Non-Banks
(Supervisor of Co-operatives)

Date: March 23, 2026

Subject: Re: Past Due and Refinanced/Restructured Debt (UPDATED)

According to Section 18(1) of the FSRC Act 2013, after such consultation with the private sector as the Commission may consider appropriate, the Commission may issue or amend statements of principle or guidelines. Further, Section 8(1)(a) of the Co-operatives Societies Act, No 9 of 2010 (As amended) (Act) requires the Commission to issue guidelines in respect of prudential standards to be observed by co-operative societies to ensure the safety and soundness of the funds of co-operative societies. Having presented the foregoing, the Commission hereby submits the following for your guidance and immediate implementation regarding restructured facilities:

Restructured Facilities

Credit Unions must not modify Past Due and Refinanced/Restructured Debt facilities in order to postpone or avoid debt classification or provisioning requirements, or the avoidance of ceasing interest accruals. The following are specific requirements relating to the modifying of facilities:

a) The member's existing financial position should allow for the servicing of debt under the revised terms and conditions.

b) Commercial loans to members should not be restructured more than twice over the life of the original loan. Commercial loans to members that have been restructured more than twice over the original life of the loan must be classified as *Doubtful*.

c) Personal mortgages and loans should not be restructured more than twice in a five year period. Personal mortgages and loans that have been restructured more than twice in a five year period must be classified as *Doubtful*.

d) The uncollected interest should be capitalised and included in the restructured asset¹.

e) The collateral for restructured facilities should cover the full amount of the principal and capitalised interest.

f) Restructured facilities should not be reclassified upward for at least twelve months or three payment cycles (whichever is longer) following the commencement of the new arrangements.

Ends

¹ *Uncollected interest refers to the interest that has accrued on a loan but has not been paid by the member. The amount to be added to the Past Due and Refinanced/Restructured Debt should represent the full amount owing less any waived amount. Credit unions are required to have a written policy regarding interest forgiveness to members.*