CMF issues regulation on minimum credit card payment formula, its exceptions

- *The regulation aims to set a standard for minimum payment on credit cards, including an amortization percentage to reduce over-indebtedness.*

June 4, 2025 – After a public consultation process, the Financial Market Commission (CMF) issued today **General Rule No. 537**, which sets forth the formula and components of minimum payment on credit cards, as well as exceptions for entities to exempt debtors from such payment.

Law No. 21,673 of 2024, which amended several legal texts with the purpose of adopting measures to combat over-indebtedness, granted the CMF authority to determine the formulation and components of minimum payments on credit cards, as well as regulating exceptional situations in which institutions may exempt debtors from the obligation of such minimum payments.

Calculation Formula

General Rule No. 537 states that the minimum payment for credit cards is the sum of a non-financeable amount (NFA) plus 5 percent of the financeable amount (FA). The NFA includes installments (without interest) payable in the billing period; interest; fees; and other charges such as taxes or insurance premiums. Compared to the version available for public consultation, the NFA does not include installments with interest.

Although making minimum payments on credit cards can offer flexibility during difficult economic times and unexpected financial situations, it's important to note that this option often means paying more interest and extending debt terms. For example, by amortizing only 1 percent of the balance each period, it could take a borrower almost 180 months to fully pay off their debt while accumulating 160 percent in interest. In contrast, amortizing 5 percent of the outstanding balance would reduce payment time to 60 months with an interest accrual of only 40 percent.

Regarding the inclusion of interest-free installments in minimum payments, available data shows that 84 percent of debtors end up paying interest on installments that originally didn't incur interest.

The regulation also sets forth that card issuers may exempt cardholders from making such minimum payments in accordance with their internal policies, and provided that the definitions of such payment involve full amortization of the debt exempted from payment within a maximum timeframe of 24 months. In addition, such exceptions may be granted for a maximum of two straight months.

General Rule No. 537 amends Chapter 8-41 of the Updated Compilation of Banking Regulations, as well as Circular Letter No. 1 for Non-Banking Payment Card Issuers. It therefore applies to all entities supervised by the CMF pursuant to Article 2 of the General Banking Act.

Validity

The regulation becomes effective one year after issuance. Incorporation of interest-free installments to the NFA will be carried out gradually, with an increase of 25 percent every six months. Interest-free installments will be fully part of the NFA two years after the date of issuance.

This transitional period allows financial entities to adjust their processes and progressively adapt to the new regulation while minimizing the impact on debtors that cannot cover minimum payments.

Interested parties can check the **Regulations section** of the CMF Website to review the new regulation in detail. The Commission also makes available the corresponding **Regulatory Report** with its core elements and impact assessment.

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