

Policy on EMI Moratorium – August 2020

Background and Objective

In order to combat the COVID-19 pandemic effect, Reserve Bank of India (RBI) has announced various measures including moratorium on EMI payment for term loans/ deferment of interest in working capital facilities vide (RBI Notification Ref: no RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 “COVID-19 – Regulatory Package” dated March 27, 2020) further clarified vide notification no RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17th 2020. In line with the same, RHFPL has also implemented the Moratorium scheme for its customers which was duly approved by the Board on 31st March 2020. Since Lockdown has been extended repeatedly, RBI has now extended the benefits of the said COVID- 19 Moratorium Package, by another three months i.e. from June 1, 2020 to August 31, 2020 vide notification no. RBI/2019-20/244DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23rd 2020. In line with this notification the “Policy on Extension of EMI Moratorium –June 2020” was duly approved by the Board on May 31st 2020.

However, the management propose to amend the “**Policy on EMI Moratorium- June 2020**” which was applicable for the month of June to August. Now, this policy (“**Policy on EMI Moratorium – August 2020**”) will be applicable for the month of August and will supersede all the previous policy on Moratorium.

Applicability & Coverage

This policy is extended to all the existing loan assets as on 31st July, 2020 standing in RHFPL’s books of accounts.

As per this policy the moratorium will be given to all those customers who will not be able to pay their EMI’s for the month of August 2020. Further, If a customer submits a written request at any of our branches branch he or she will also be given the moratorium benefit.

In case any customer want to opt for moratorium of PEMI/EMI, he/she needs to communicate the same to us latest by 3rd August 2020 in writing to any of our branches. Non-communication or delayed communication shall be treated as default and Non-acceptance of moratorium by those particular customer(s). Repayment instrument for these cases will be presented at the bank for clearance as per the customer’s repayment schedule. For bounced cases, customer will be contacted and if they want moratorium, the same shall be extended to them.

For all the moratorium cases as mentioned above, while rescheduling the EMI’s RHFPL shall endeavour to keep the revised EMI’s as close to the original EMI’s as possible, however the Loan Tenor will be extended.

The accrued interest for the moratorium period will be added to the original outstanding loan and will be recovered along with the interest as per the contracted interest rate.

- No penalty/charges shall be charged for deferred PEMI/EMI for existing loan repayments during this period for the loan accounts where moratorium has been given.
- In line with the RBI guidelines, in respect of all accounts classified as standard as on February 29, 2020 or later, even if overdue, the moratorium period, wherever granted, shall be excluded by the lending institutions from the number of days past-due for the purpose of asset classification under the IRAC norms.
- The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by RHFPL.
- The revised repayment schedule will be communicated to the customer via e-mail to his registered email id available with RHFPL or via courier to its registered address available with RHFPL. Also customer can personally visit the branches and collect their new repayment schedule
- There will be no moratorium on overdue prior to 1st March 2020. Hence in case of any overdue instalments and/ or other dues pertaining to the loan repayment prior to 1st March 2020, there will be normal penal charges and reporting to Credit bureau will continue to take place as per normal process.
- MD & CEO is authorised to approve any operational procedures/guidelines/exceptions as may be required to implement the policy and make any changes to the policy in line with the directions/guidelines issued by RBI/NHB from time to time.

This policy will come into force with effect from 1st August 2020 and remain effective till 31st August 2020.

**Sd/-
Managing Director & CEO**

**Copy to:
All RHFPL Branches & All functional heads**