

## **Moratorium FAQs**

We, at IDFC FIRST Bank, always put the well-being of customers FIRST. We are empathetic to the fact that many of our customers' cash-flow and earnings may have been impacted because of the COVID-19 crisis. As also, this far-reaching impact to the economy due to the lock-down imposed by the Government and the resultant restrictions on the movement of people, goods and resources.

The Reserve Bank of India (RBI) has advised certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic. Hence, we are happy to provide a moratorium facility to customers who wish to seek the same.

### **Here are a few FAQs related to the moratorium facility provided by our Bank**

#### **1. What is the moratorium facility?**

Moratorium is essentially a "pause" in contracted repayment obligations. In other words, it is deferment of loan instalments. RBI's initial announcement covered up to three months' instalments due between March 1, 2020 and May 31, 2020; RBI's second announcement covered three months instalments due between June 1, 2020 and August 30, 2020. However, the interest will accrue and be payable by the customer. The accrued interest will be collected from the customer by extending the original tenor of the loan.

#### **2. Is it extended to all types of loans?**

- a. All retail "instalment" loan such as home loans, vehicle loans, loan against property, two wheeler loans, business loans on instalments, personal loans, consumer durable loans, other such retail instalment loans prior to June 1, 2020 are eligible.
- b. Corporate, SME and MSME customers (including Business Banking and Kisan Credit Card) who have availed working capital facilities/term loans from the Bank are also eligible for moratorium relief. Furthermore, relief can be provided for term loans availed by such customers subject to criteria and evaluation.
- c. Inventory funding lines and reseller finance (loan/facility falls under working capital facilities) are also eligible for moratorium of interest till August 30, 2020.
- d. Moratorium would not be applicable for one-month Line of Credit (LOC).

#### **3. For which period can the second moratorium be availed?**

Under the announcement for the second moratorium facility, lending institution can use their discretion to grant moratorium of up to three months between June 1, 2020 and August 30, 2020.

#### **4. Will you automatically consider Moratorium 2.0 for customers who applied (or were covered) under Moratorium 1.0? If not, what is the process to apply for moratorium 2.0?**

No, customers who wish to avail Moratorium 2.0 must apply for it. Those who were covered under Moratorium 1.0 also have to re-apply.

Repayment instrument provided by the customer will be sent for clearing as per the laid out process before the due dates. The customer will have to send in an email requesting for moratorium for the month, 5 days before the due date

**Retail customers** who wish to avail the moratorium should send their requests **5 days** before the payment's due date by:

- Visiting our website and submitting their details to apply. We will activate the moratorium for the unpaid EMI of the month applied for.
- Sending an SMS from their registered mobile number to 80070 10908, mentioning the Loan Account Number.
- Sending an email from their registered email address to [moratorium2@idfcfirstbank.com](mailto:moratorium2@idfcfirstbank.com), quoting the Loan Account Number.

**Corporate, SME and MSME customers** (including Business Banking and Kisan Credit Card), who have availed working capital facilities/term loans, are also eligible for moratorium relief. Such customers can get in touch with their relationship managers.

**Rural and agriculture customers** can avail the facility by contacting their relationship officer or visit the nearest IDFC FIRST Bank branch and submit a request.

## 5. What are the benefits of the moratorium?

Customers can benefit in the following ways by availing a moratorium:

- a) Loan instalments are deferred for up to 6 months.
- b) The loan does not get reported to the bureau as a defaulter during the moratorium period
- c) We will not levy penal or bounce cheque charges on customer's loan account for instalments during the moratorium period.
- d) Your Savings or Current Account Bank might levy charges for bounce charges should your request not reach us in time. Please contact your Bank for any reversals.

It is advisable to note that opting for the moratorium will result in interest being charged on the outstanding loan amount during the period of moratorium. Also, the tenor of the loan will also increase. Hence, customers should avail the moratorium facility **only if they are unable to pay their EMI.**

## 6. Am I eligible to avail the moratorium?

If you have NO overdue payments as of March 1, 2020, you are eligible for moratorium. However, if you do have overdue payments as of March 1, 2020, you may also request for moratorium, and such requests will be considered by us on merits. Additionally, as the borrower, you should not be under IBC proceedings or have been classified as wilful defaulter/ Red Flagged Account (RFA) / Fraud by any Bank or financial institution.

## 7. I am not eligible for moratorium. How do I become eligible?

If you were originally found ineligible, you may become eligible by regularising your loan account. You can do so by simply making all overdue payments due before March 1, 2020. You may make the payment here: <https://reporting.capitalfirst.com/quickpay/qpinfo.aspx>.

## 8. Will I need to pay any additional charges during moratorium?

No, rest assured, we would not levy penal or bounce cheque charges for customer granted moratorium under the policy during the moratorium period.

## 9. What if I don't want to avail a moratorium for loan? Do I need to inform the Bank?

No, as a customer, you do not need to inform us in case you do not want to avail a moratorium. Such customers are advised to maintain adequate balances so that the instalment dues are paid

on time. We will continue to present the repayment instruments and this will reflect into the Loan Account.

**10. Will interest be charged during moratorium?**

Yes, interest will continue to accrue during the moratorium period at the same rate as per your loan contract. The interest accrued would be added to the principal which in turn will extend the tenure of the loan as the EMI amount will be unchanged. Hence, it is advisable that customers should avail moratorium **only if they are unable to pay their EMI.**

**11. Will the tenor of my loan increase if I avail moratorium?**

Yes, the tenor of your loan will increase if you avail moratorium. The repayment schedule for such instalment loans who have been provided moratorium benefits will be extended to recover the deferred instalments, along with applicable interest.

**12. Will my credit bureau score be impacted if I opt for moratorium?**

No, rest assured, your credit rating/score will not be affected if you opt for the moratorium. However, in case you have overdue payments as of March 1, 2020 and do not pay them then we will have to report this default to credit bureaus. This report will then affect the customer negatively as the customer's credit scores will get affected.

**13. Will there be any change in the 'drawing power' on the working capital facility?**

With respect to working capital facilities sanctioned in the form of CC/ OD the Bank may recalculate the 'drawing power', by reducing the margins and/ or by reassessing the working capital cycle. This relief will be contingent on the Bank satisfying itself that the same is necessitated on account of the economic fallout from COVID-19.

Such concession in reduction of margin would be valid in respect of all changes effected up to August 30, 2020 for such period as the Bank assesses or such extended time as per the impact assessment on working capital cycle. After such period, the margin would be reverted to pre-relief margin stipulated by the Bank.

**14. Can I opt-out once I have requested for the moratorium?**

Yes, you can opt-out by paying the outstanding EMI. You may simply make the necessary payment here: <https://reporting.capitalfirst.com/quickpay/qpinform.aspx>.

Once the payment is made, you can send the request to opt out to [moratorium2@idfcfirstbank.com](mailto:moratorium2@idfcfirstbank.com).

**15. Once I opt for moratorium, when will I receive the revised repayment schedule?**

Retail customers will receive their revised repayment schedule through a SMS link at the end of the month (on the month they have applied for the moratorium).