Moratorium FAQs

IDFC FIRST Bank deeply cares for its customers. Many of our customers’ cash-flow and earnings may have been impacted because of COVID 19 crisis and on account of overall 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 bought about by disruptions on account of COVID-19 pandemic. Hence we propose to provide a moratorium facility to customers who wish to seek the same.

FAQs related to this moratorium facility provided by the 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 of up to three months falling due between March 1, 2020 and May 31, 2020 to provide relief to borrowers amid the COVID-19 pandemic. **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 contract accordingly.

2. **Is the Bank extending the moratorium facility 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 April 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. Relief can also be provided for term loans availed by such customers subject to Bank’s 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 May 31, 2020.

   d. Moratorium would not be applicable for one-month Line of Credit (LOC).

3. **What is the period considered for grant of the moratorium facility?**
   Under the moratorium facility, lending institution can use their discretion to grant moratorium of up to three months between March 1, 2020 and May 31, 2020.

4. **Are customers required to apply for moratorium or it is automatically given to all?**
   Retail customers who wish to avail moratorium should visit the Bank’s website and submit their details to apply and the Bank will activate the moratorium for the unpaid EMI of March 2020 if any, and for EMI of April and May 2020.

   Alternatively, customers can send an SMS from their registered mobile number to 80070 10908, mentioning the Loan Account Number five days prior to the due date.

   Or customers can also send an email from their registered email address to the Bank at help@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 from the Bank are also eligible for moratorium relief. Such customers can get in touch with their relationship managers.

Rural and agriculture customers will be automatically provided moratorium benefits upto three months without having to apply for the same.

5. **What are the benefits of the moratorium facility to customers?**
   Customers get the following benefits by availing the moratorium facility:
   a) Loan instalments are deferred for up to 3 months
   b) The loan does not get reported to the bureau as a defaulter during the moratorium period
   c) The Bank would not levy penal or bounce cheque charges on customer’s loan account for instalments during the moratorium period

   We hereby advice customers 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 their loan will get extended. Hence customers should avail the moratorium facility only if they are unable to service their loan.

6. **How can the customer know that he/she is eligible to avail the moratorium facility?**
   Customers having NO overdues prior to March 1, 2020 be eligible for moratorium. However, customers having overdues prior to March 1, 2020 may also request for moratorium, and such requests shall be considered by the Bank based on merits.

   Additionally, the borrower 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. **If the customer is not found eligible for moratorium by the Bank, how do he/she become eligible?**
   a. If customers were originally found not eligible, he/she can become eligible by regularizing his/her loan account.
   b. Customers can regularize their loan account by simply making the payment for overdues prior to March 1, 2020. They can use the [https://reporting.capitalfirst.com/quickpay/qpinfo.aspx](https://reporting.capitalfirst.com/quickpay/qpinfo.aspx) link to make the necessary payment.

8. **What happens if the customer has no overdues prior to March 1, 2020. But his/her cheque / ECS for March has bounced?**
   a. Retail customers who ha no overdues prior to 1st March, 2020 and repayment instruments are not cleared on presentation between 1st March 2020 and 31st May 2020, will be assumed to be impacted by COVID 19.
   b. Above customers will automatically be provided relief under moratorium. Moratorium related benefits mentioned above in point # 5 would be made available to above customers.

9. **If the instalment has been cleared in March 2020. Can customers get a refund of their March 2020 instalment?**
   If customers have already paid their instalments or serviced their interest for March 2020 then no refund will be issued. Such customers can avail moratorium for instalments falling due in April and May 2020.
10. Will the customer need to pay any charges during moratorium period?
No. The Bank would not levy penal or bounce cheque charges for customer granted moratorium/relief under the policy during the moratorium period.

11. What if the customer doesn’t want to avail a moratorium for loan? Does the customer need to inform the Bank?
No. Customer doesn’t need to inform the Bank in case he/she do not want to avail a moratorium. Such customers are advised to maintain adequate balances so that the instalment dues are paid on time. The Bank will continue to present the repayment instruments and this will reflect into the customer’s Loan Account.

12. Will interest be charged during moratorium period?
Yes. Interest shall continue to accrue during the moratorium period at the same rate as contracted for the respective loan. The interest accrued would be added to the principal which will extend the residual period of the loan as the EMIs would remain unchanged. Hence customers are advised that they should avail it **only if they are unable to service their loan**.

13. Will the tenor be extended if a customer avails of a moratorium facility?
The tenor will get extended if a customer avails for moratorium facility. 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.

14. If customer opts for moratorium, will the credit bureau score be impacted?
No. Customers’ credit rating/ score will not be affected if they opt for the moratorium. In case customers have overdues for period prior to March 1, 2020 and do not pay the same, then the Bank will have to report the customer’s default to credit bureaus. It will affect the customer negatively as the customer’s credit scores will get affected.

15. Will there be any change in the ‘drawing power’ on the working capital facility?
In respect of 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 shall 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 May 31, 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.