



### **Moratorium FAQs**

In the wake of the coronavirus (COVID-19) pandemic, the Reserve Bank of India (RBI) has allowed banks to offer a moratorium of three months to ease borrowers' concerns related to loan repayments. IDFC FIRST Bank is fully supportive of this move and is happy to extend this facility to its loan customers who are eligible, as per RBI guidelines.

The FAQs related to this moratorium facility provided by our Bank are answered below.

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

The RBI has advised certain regulatory measures to provide relief to borrowers amid the COVID-19 pandemic. Under this, lenders can use their discretion to allow deferment of loan instalments falling due between March 1, 2020 and May 31, 2020. While this is essentially a 'pause' in contracted repayment obligations, interest on the loan continues to accrue. The deferred instalments will need to be paid at the end of the loan tenure. Interest will continue to accrue on the EMIs for which moratorium is provided at the same rate as contracted for the respective loan, and such interest will be collected as per applicable interest from you by extending the original tenor of your loan contract accordingly.

#### **2. Is the Bank extending the moratorium facility to all types of loans?**

Yes, the Bank is providing a moratorium facility to all eligible customers for Home Loan, Personal Loan, Consumer Durable Loans, Loan against Property, Business Loans, KCC and Vehicle Loans. Customers are required to apply for the same by sending an SMS from their registered mobile number or an email from their registered email id.

It is worthy to note that the moratorium would not be applicable for one-month Line of Credit (LOC). If your requirement falls under working capital facilities, please note that inventory funding lines and reseller finance are also eligible for moratorium of interest till May 31, 2020.

#### **3. What is the period considered for grant of the moratorium facility?**

The Bank will activate the moratorium for unpaid EMIs of March 2020, if any, and for EMIs of April and May 2020.

#### **4. How do I apply for a moratorium?**

We are here to assist you. If you wish to avail of the moratorium, kindly send an SMS from your registered mobile number to 80070 10908, mentioning your Loan Account Number and we will activate the moratorium for the unpaid EMI of March 2020 if any, and for EMI of April and May 2020.

Alternatively, you can email your request for moratorium from your registered email address at [help@idfcfirstbank.com](mailto:help@idfcfirstbank.com) mentioning your Loan Account Number.

Your request will be evaluated based on the eligibility criteria set by the Bank.

#### **5. How do I know that my instalments have been successfully moved to moratorium?**

This will be communicated to you on your registered email address.

#### **6. What are the benefits of the moratorium facility to me?**

You get the following benefits by availing the moratorium facility:

- 1) Your loan instalments are deferred for up to 3 months
- 2) The loan does not get reported to the bureau as a defaulter during the moratorium period
- 3) There are no Cheque bounce charges or overdue charges for instalments during the moratorium period

**7. How do I know I am eligible to avail the moratorium facility?**

To be eligible, there should be no overdues in the loan account on or prior to February 29, 2020.

**8. What happens if I am not found eligible for the moratorium?**

If you are not eligible, you can regularize your loan account by simply making the payment for instalments that are overdue on or prior to February 29, 2020.

Regularizing your account has following advantages:

- a. You avoid Cheque bounce charges or overdue charges
- b. Improves your credit score
- c. You can avail the moratorium for up to 3 months from March 1, 2020 to May 31, 2020

**9. What happens if I have no overdues prior to February 29, 2020. But my cheque / ECS for March has bounced?**

All instalments between March 1, 2020 and May 31, 2020, that have not been cleared, are automatically migrated to the moratorium facility, as per RBI guidelines.

**10. Will the Bank stop debiting my account if I am covered under moratorium?**

The Bank will continue to present the post-dated cheques / ECS or NACH mandates provided by you as per the respective due dates. Moratorium, if any, will only be provided on request of the customer, except for rural customers.

**11. My instalment has been cleared in March 2020. I have no overdues pending. Can I get a refund of my March 2020 instalment?**

If the instalment for March 2020 has been cleared, the Bank will not issue a refund. If you have availed of moratorium facility, then the instalments for April and May 2020 will be automatically moved to the moratorium. No presentations will be done for these months. You will need to, however, place a request for a moratorium as mentioned above.

**12. Despite being moved to moratorium, my ECS / cheque was presented and was not cleared due to lack of funds. Will I need to pay bounce charges?**

No penal or bounce cheque charges would be levied for customers who are granted a moratorium facility.

**13. Will there be a second presentation in my account?**

A second presentation will be made only if you have not availed a moratorium or if you are not eligible for a moratorium.

**14. If I am granted a moratorium, how do I ensure that my cheques / ECS are not presented?**

Kindly place your request for a moratorium facility at least 5 working days prior to the due date. However, we'd like to assure you that even if the cheque is presented, there is no cause for concern as the instalments will be migrated to moratorium. There will be no bounce charges.

**15. What if I don't want to avail a moratorium for my loan. Do I need to inform the bank?**

If you are not facing any concerns with your cash flows, it may be a good idea to skip the moratorium and pay your instalment on time.

In case you do not wish to avail the moratorium, there is no action you need to take. The Bank will continue to present your cheque / ECS and this will reflect into your loan account.

**16. Will additional interest be charged under moratorium. Does it mean my loan gets restructured?**

If you opt for the moratorium, interest will continue to accrue on the outstanding portion of the term loan during this period at the same rate as contracted for the respective loan. Such interest will be collected from you by extending the original tenor of your loan contract.

**17. How will I know the status of my account and the revised repayment schedule?**

An updated loan repayment schedule will be sent to your registered email address by the end of the month. It can also be accessed on the Bank's mobile app and the netbanking.

**18. I have a consumer durable loan which is a no-cost EMI product. But if I opt for the moratorium, will charges apply?**

The interest subsidy provided by the Original Equipment Manufacturers or brands on consumer durable loans is passed directly as a benefit when the loan is booked; your CD loan has interest applicable.

To know about the rate of interest for your loan, please refer to the sanction letter and your Statement of Account.

If you opt for the moratorium, interest will continue to accrue on the outstanding principal at the same rate as contracted for the respective loan. The loan tenor will be extended and interest will be charged for the moratorium at applicable rate as depicted in your Statement of Account.

**19. Once the 3-month moratorium is over, do I have to pay all three instalments at one time?**

Rest assured, your 3-months' dues will not be clubbed into one instalment. The unpaid instalments will be payable at the end of the loan tenure, along with interest.

Let's take an example: In the case of a loan contracted for 36 months, the new tenor will be extended by 1, 2 or 3 months, as applicable, making the loan's new tenor 37, 38 or 39 months. Furthermore, the interest accrued during the moratorium will be recovered in the 38<sup>th</sup>, 39<sup>th</sup> and 40<sup>th</sup> month of the recast loan tenor.

**20. If I opt for moratorium, will my credit bureau score be impacted?**

There is no impact on the credit bureau score during their period of moratorium.

**21. Can I make the foreclosure/part payment during this moratorium period?**

Yes. If your cash flow situation improves, you may choose to pay the instalments and regularise your loan account.

**22. I already have overdue EMIs, which I could not pay earlier. Can I seek a deferment for the upcoming 3 EMIs and also pay the previous outstanding in June 2020?**

As per RBI guidelines, the moratorium facility is provided for EMIs falling due between March 1 and May 31, 2020. If your account has EMIs/other charges overdue before February 29, 2020, we request you to kindly regularise your loan account for the period prior to February 29, 2020 to avoid penal charges and reporting to the bureau. You can regularise your account by paying online by clicking the link <https://reporting.capitalfirst.com/quickpay/qpinfo.aspx>

**23. Will I get follow up/reminder calls for overdue amount?**

If your loan instalment for April 2020 has not been honoured, you will be contacted by our representative to check if you'd like to make the payment for the month. If you do not wish to make the payment, your instalment will be moved into moratorium.

**24. Will I be allowed an additional cooling period/moratorium after the RBI-advised 3-month period should I be unable to pay overdue EMIs?**

As per RBI guidelines, the moratorium of 3 months is applicable only on the payment of EMIs between March 1, 2020, and May 31, 2020. Any EMI default beyond May 31, 2020, will be considered as overdue and normal terms and conditions will apply.

**25. Will my EBC card get blocked if I opt for moratorium?**

We'd like to assure you that your Easy Buy Card (EBC) will not be blocked during the moratorium.

**26. Will the moratorium be applicable for rural customers?**

The moratorium is applicable for rural customers too. Customers from the rural and agricultural segments will be automatically provided moratorium benefits up to three months without having to apply for the same.