

Frequently Asked Questions

Moratorium for Retail Term Loans under COVID-19 regulatory package

1. What is the relief RBI has provided for Term Loans under COVID-19 regulatory package?

As part of COVID-19 regulatory package, RBI has rolled out a notification: RBI/2019-20/186 dated March 27, 2020, to reduce the burden of debt servicing caused due to disruptions in business on account of the COVID 19 pandemic and to ensure continuity of business.

For more details please refer the link below:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=11835&Mode=0>

2. As a customer of Standard Chartered Bank, how does this affect me?

In case you have availed of a term loan facility from Standard Chartered Bank in the form of Housing Loan, Loan Against Property, Personal Loan, Business Instalment Loan and Guarantee Instalment Loan then, you are eligible for a moratorium period of two months on payment of instalments falling due between April 1, 2020 to May 31, 2020 provided there is no delinquency in repayment of existing dues.

Interest shall continue to accrue on the outstanding portion of the loan availed during the Moratorium Period and will be followed by Interest capitalization of the accrued Interest. The repayment schedule & the residual tenor for these loans will be accordingly shifted after the Moratorium period.

3. What do I need to do to avail the benefit under the RBI COVID 19 regulatory package?

There is no separate request required from you. Standard Chartered Bank shall be deferring EMIs during the moratorium period falling between April 1, 2020 to May 31, 2020, as a default, for all eligible customers. This is applicable for all loan accounts with no outstanding dues as of **Feb 29, 2020**.

4. Will my EMI be refunded if I have already paid my EMI for March or April?

If the EMI for March or April has already been paid it would be treated a regular repayment and the Moratorium would be applicable for the remaining month in the Moratorium period i.e. May.

5. What type of Term Loans are covered under the RBI COVID 19 regulatory package?

Moratorium period is applicable to non-delinquent loan accounts and includes the following Term Loans:

- Home Loans
- Loan against Property
- Personal Loans
- Business Instalment Loans
- Guarantee Instalment Loans.

6. Can the moratorium be offered to a delinquent account becoming non-delinquent?

Yes, If any delinquent account becomes non-delinquent by 24TH April 2020, the said loan account will be automatically activated for May 2020 moratorium.

7. What should I do if I don't want to avail this moratorium?

If you do not wish to avail the benefit granted under the Moratorium Period, then please send an SMS mentioning: <<OPTOUT>> space <Loan Account No> to 8693800500 from your registered Mobile number latest by 15th April.

8. If I opt-out of the moratorium, will my EMIs be presented?

If you opt-out of the moratorium offered via SMS as mentioned in Qs no 6, at least 4 working days before the EMI due date then the EMI will be presented on your existing EMI due date.

However, if the EMI due date is **within 4 working days or has already passed**, then your April 2020 EMI will be presented on a later date in April 2020 which shall be communicated to you on your bank registered mobile number. Also, starting May 2020 your EMI shall be presented as per the original EMI due date before the Moratorium period. Kindly note that you will not be charged any additional interest and charges due to the delay in April 2020 EMI presentation.

9. Is there is cut-off date to send the SMS for opting out of the moratorium?

Yes, the opt-out SMS has to be sent to us by 15th April 2020.

10. What can I do if I erroneously send a wrong account number in my opt-out message?

The opt-out message needs to be resent with the correct Loan account number via the bank registered mobile number only.

11. Do I need to inform the Bank to provide a moratorium?

For Term Loans, you do not need to specifically request the Bank to opt for deferred instalment payment during the Moratorium Period.

12. Will I get a single SMS communicating the moratorium on the Term Loan(s)?

The bank has communicated for each loan account number individually. Hence if you have multiple loans i.e. 3 loans you would receive 3 different SMS, each mentioning the last 4 digits of the loan account number.

13. Can I opt-out of multiple SCB term loans with a single SMS?

No, an individual SMS to opt-out must be sent for every loan account number in order to opt-out.

14. Do I need to pay any extra amount if I avail for this moratorium?

No, the Bank is not charging any fees for opting in for deferred EMI payments during the Moratorium Period.

15. Is the moratorium applicable for March 2020 instalments?

The Moratorium shall not be applicable for March 2020 but only for April and May 2020 instalments for applicable clients.

16. Since the Term Loan instalment are not to be paid during the moratorium period, how will the loan be adjusted?

During the Moratorium Period, Interest shall continue to accrue on the outstanding portion of your term loan. The Interest accrued will be added to the outstanding loan amount and the repayment schedule & the residual tenor for these loans will be accordingly shifted after the Moratorium period.

Impact for loans with shorter tenor remaining eg. For a loan outstanding of Rs 1,000,000 at an interest rate of 16% p.a. with 26 months balance tenor, original tenor of 36 months the additional interest payable would be Rs 11,278 approx. equal to additional 0.25 EMIs.

Impact on loans with longer tenor remaining eg , For loan outstanding of Rs 1,000,0000 at an interest rate of 9.5% p.a. with 138 months balance tenor, original tenor of 150 months the additional interest payable would be Rs 3,20,452 approx. equal to additional 2.7 EMIs.

17. Will the regular repayment instruction pertaining to the instalment(s) debit my bank account during this period?

We will not be debiting your bank account held with us for recovery of EMIs as per mandate on record during the Moratorium Period.

18. Will I be charged with any penalty or late payment fees for non-payment of EMIs during the Moratorium Period?

You will not be charged with any penalty or late payment fees for non-payment of EMIs during the Moratorium Period.

19. Does this moratorium period affect my credit reporting?

The non- payment of EMI in the moratorium period for the eligible clients does not lead to any delinquency in the account and thereby the reporting is unaffected.

20. Can I extend the Moratorium Period or select the number of months for which EMI repayment is deferred?

You cannot change or select the months under the Moratorium Period. EMI payments on instalments falling due between April 1st, 2020 to May 31st, 2020 are only deferred.

21. Can I make partial payment of the loan during the Moratorium Period?

Partial payment of EMIs is allowed during the Moratorium Period only if you expressly communicate to the Bank your intention to not avail the benefit granted under the Moratorium Period.

22. Can I foreclosure the Loan facility during the moratorium period?

You may foreclose the loan as per the applicable terms and conditions during the Moratorium Period only if you expressly communicate to the Bank your intention to not avail benefit granted under the Moratorium Period.

23. Can I make an EMI payment even during the moratorium period?

If you wish to make a payment of EMI during the instalment you may do so by depositing the EMI cheque to the nearest Standard Chartered Bank, Branch. Alternately you may choose not to avail the benefit under the Moratorium Period.

24. Is SCB extending the Moratorium to clients who were non-delinquent as of February 29th, 2020?

Yes, we have now extended the moratorium to clients who were non-delinquent as of February 29th 2020. Hence, they too would be eligible for a moratorium period of two months on payment of instalments falling due between April 1, 2020 to May 31, 2020.

If the EMI for March or April has already been paid/ EMI due date has already passed the Moratorium would be applicable for the remaining month in the Moratorium period i.e. May.

If the client has not paid an EMI during the moratorium period i.e. March or April EMI, the Moratorium would extend to these clients too. Accordingly, the accrued interest during the moratorium period will be added to the outstanding loan amount and the repayment schedule & the residual tenor for these loans will be accordingly shifted after the Moratorium period

25. If I am currently availing of the Pre-Emi scheme can I avail of this moratorium?

No, this Moratorium Period is only applicable to clients who are servicing full EMIs on the Term Loans with SCB.

***** End of Note *****