

Frequently Asked Questions

Moratorium / COVID-19 regulatory package for Payroll Overdraft and Smart Credit Products

In accordance with the COVID-19 Regulatory Package notification dated 27th March 2020 by the Reserve bank of India (“**RBI**”) and as may be updated from time to time, Standard Chartered Bank (“**Bank**”) a per its approved policy had decided to extend a moratorium of 2 (two) months in respect of payments falling due in the period beginning April 01 2020 until May 31 2020 on Payroll Overdraft and Smart Credit products (“**Moratorium 1.0**”). Thereafter, the RBI has further extended the Moratorium by another three months i.e. from 1st June 2020 to 31st August 2020, vide its circular dated 23rd May 2020 (“**Moratorium 2.0**”) and the Bank as per its approved policy has also extended the same.

With respect to Payroll Overdraft, all the borrowers who were under Moratorium 1.0, Moratorium 2.0 will be automatically extended to them only for June 2020, until and unless they send an SMS requesting to Opt Out of Moratorium 2.0. For all other borrower(s), who are non-delinquent as of 31st May 2020, they will need to specifically OPT-IN for availing the Moratorium 2.0 by sending an SMS in accordance with the instruction provided by the Bank from time to time.

With respect to Smart Credit, all the borrowers who had availed or had opted in for the Moratorium 1.0, Moratorium 2.0 will be automatically extended to them until and unless they send an SMS requesting to Opt Out of Moratorium 2.0. For all other borrower(s), who are non-delinquent as of 31st May 2020, they will need to specifically OPT-IN for availing the Moratorium 2.0 by sending an SMS in accordance with the instruction provided by the Bank from time to time.

Moratorium 1.0 and Moratorium 2.0 shall be collectively referred to as Moratorium.

Please refer to the below Frequently Asked Questions (FAQs) in respect of the Moratorium for further details.

Payroll Overdraft

1. **What is the relief RBI has provided for Overdraft Facilities 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 because of the COVID 19 pandemic and to ensure continuity of business.

For more details refer the link:

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

2. How does the moratorium work?

Your monthly minimum due (which is 5% of utilised amount) will not be charged for the month of April 2020 and May 2020. 5% of the utilised amount as on 15th of May 2020, will become due on the 15th of June 2020 (post the moratorium period).

The interest on the utilised amount will also not be debited on 30th April 2020 and 31st May 2020 as is the usual process. However, interest will continue to accrue at applicable interest rate (15.5% annually), this will be debited from the linked salary account after the end of the Moratorium i.e. 30th June 2020. Do note that clients are free to pay back the principal at any point of time to prevent interest accrual.

The interest on the utilised amount will not be debited on 30th April 2020 and 31st May 2020 as is the usual process. There will not be any levy of additional interest due to the non-payment of interest. Please note that the Moratorium is a deferment and not waiver of your interest. Accrued Interest will be become payable post the Moratorium period on 30th June 2020 and the 5% of the outstanding principal will be due on 15th of June.

This will be provided for clients who are not overdue. Overdue clients will need to pay the Total Outstanding amount on the due date (15th of every month). After the account is regular the moratorium will apply for the remaining period.

3. In case I avail the moratorium, will I be charged interest on interest for the moratorium period?

There will not be any levy of Interest on Interest during the moratorium period. This is because while interest will continue to be accrued, the levy of the same will not happen till 30th June. However, interest will continue to accrue on any outstanding principal during the period.

Please note the below example:

Client X utilises an average of INR 10,000/- in the month of April 2020, INR 15,000 in the month of May 2020 and INR 5000 in the month of June 2020.

Interest for April INR 129.17/- (assuming Interest @ 15.5% annually) will be accrued but not debited from the salary account on 30th April 2020

Interest for May INR 193.75/- (assuming Interest @15.5% annually) will be accrued but not debited from the salary account on 31st of May 2020

Interest for June INR 64.58/- (assuming Interest @15.5% annually) will be accrued. This will be recovered from the linked salary account along with Rs 129.17/- of April & Rs 193.75/- of May on the 30th of June 2020.

Also, 5% of the outstanding principal as on 15th May (withdrawn overdraft amount), will be due on the 15th of June.

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

For Payroll Overdraft clients, you do not need to request the Bank to opt for deferred payment during the Moratorium Period. You will have the option to opt-out by sending a SMS mentioning MORTN <Account No> to 8693800500.

5. As a Payroll Overdraft client if I do not want to avail the moratorium what do I need to do?

Please note that the interest accrued for any utilised amount for April 2020 and May 2020 will be automatically debited post the Moratorium period on the 30th of June 2020. You are not expected to pay any minimum amount during the Moratorium period as well. This will only benefit the clients as there will be no extra interest, and principal repayments are allowed.

Still if you wish to OPT -OUT, refer to response at point 4.

6. Will interest charges be levied for the deferred period of payment?

The RBI notification has clearly specified that interest will continue to be charged on the outstanding amount during the deferment period, hence the interest for the utilised amount will get accrued and will be recovered post the Moratorium Period.

7. By availing of the moratorium, will it impact the credit bureau score of the card holder?

No. This moratorium will not impact the credit rating of these clients.

8. Will I be charged Late payment charge during the Moratorium period?

No. There will be no late payment fee levied during this period.

9. Is this a waiver of outstanding dues or a deferment of Interest on my Payroll Overdraft?

No, this is not a waiver of outstanding dues. The RBI notification has clearly specified that interest will continue to be charged on the outstanding amount.

10. Will I be charged Interest on the utilised overdraft amount during the moratorium?

Yes, interest will continue to be accrued on the outstanding amount during the moratorium period as per applicable interest on any unpaid outstanding on a daily balance basis. Any repayment and new withdrawals will be considered for interest accrual till the end of the moratorium period.

11. What do I need to pay after the completion of the moratorium period?

Your statement on the 15th of May will specify the principal amount due on the 15th of June. You will be expected to pay 5% of the total outstanding amount as on 15th of May by the 15th of June. Interest will not be debited on the 31st of May.

The statement generated on June 15th, will advise the total interest due during the moratorium period which will be debited on the 30th of June. The statement will also advise the principal amount due on the 15th of July.

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

No, the Bank is not charging any extra amount for opting in for deferment of payments during the Moratorium Period.

13. Is the moratorium applicable for March 2020 payments?

As interest payment towards the Overdraft for the month of March are already recovered, the Moratorium will not be applicable for interest due in the month of March. However, the minimum amount due in April 2020 is not to be paid. Clients are however free to pay to reduce the interest on the outstanding amount.

14. Since the payments due are not to be paid during the moratorium period, how will the interest be adjusted?

During the Moratorium Period, Interest shall continue to accrue on the outstanding portion of your overdraft. The Interest accrued will be added to the outstanding amount and added to the June statement that will be debited on the 30th of June.

15. Can I extend the Moratorium Period or select the number of months for which the payment towards my Overdraft account is deferred?

You cannot change or select the months under the Moratorium. Payments on Overdraft account falling due between April 1st, 2020 to May 31st 2020 are only deferred.

16. Can I foreclose the overdraft facility during the moratorium period?

You may foreclose the overdraft 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.

Smart Credit Facility

1. What is the relief RBI has provided 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 because of the COVID 19 pandemic and to ensure continuity of business.

For more details refer the link:

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

Do note that the moratorium is only applicable for clients who do not have any overdues as on 31st March 2020.

2. How does the moratorium work?

If the borrower has OPTED-IN for the Moratorium, interest on the utilised amount will continue to get accrued at applicable interest rate. There will not be any levy of additional charges due to non-payment of interest. Please note that the moratorium is a deferment and not waiver of your Interest. Unpaid Interest will become payable post the Moratorium period.

3. In case I avail the moratorium, will I be charged interest on interest for the moratorium period?

There will not be any levy of Interest on Interest, interest will accrue in our system but will not be due for payment.

Please note the below example:

Interest for April INR 129.17/- (assuming Interest @ 15.5% annually) will be accrued but will not fall due.

Interest for May INR 193.75/- (assuming Interest @15.5% annually) will be accrued but will not fall due.

Interest for June INR 64.58/- (assuming Interest @15.5% annually) will be accrued. The total interest for three months NR 387.50 will fall due in June.

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

As a Smart Credit Facility client, you will need to inform the Bank by an OPT-IN that you would want to avail this opportunity through an SMS. Please send a SMS mentioning MORTY <Account No> to 8693800500.

Please click here to contact us: <https://www.sc.com/in/contact-us/>.

5. Will interest charges be levied for the deferred period of payment?

The RBI notification has clearly specified that interest will continue to be charged on the outstanding amount during the deferment period.

6. By availing of the moratorium, will it impact the credit bureau score?

No. The credit rating will not be impacted by this moratorium.

7. Will I be charged Late payment charge during the Moratorium period?

Clients who opt in, will not be levied with late payment charges prospectively.

8. Is this a waiver of outstanding dues or a deferment of Interest on my Smart Credit products?

No, this is not a waiver of outstanding dues. The RBI notification has clearly specified that interest will continue to be charged on the outstanding amount.

9. Will I be charged Interest on the utilised overdraft amount during the moratorium?

Yes, interest will continue to be accrued on the outstanding amount during the moratorium period as per the product APR (Annual Percent Rate) on any unpaid outstanding from the previous statement and all new withdrawal till the end of the moratorium period.

10. What do I need to pay after the completion of the moratorium period?

You will be expected to pay the total outstanding amount and the billed interest charges of the moratorium period on the due date in the statement generated after the Moratorium Period i.e. May 31st, 2020 to avoid any late payment charges and impact on credit score thereon.

11. 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 deferment of payments during the Moratorium Period.

12. Is the moratorium applicable for March 2020 payments?

As payments towards the Overdraft for the month of March are already recovered, so the Moratorium shall be applicable for April and May 2020 payments for applicable clients.

13. Since the payments due are not to be paid during the moratorium period, how will the interest be adjusted?

During the Moratorium Period, Interest shall continue to accrue on the outstanding portion of your overdraft. The Interest accrued will be added to the outstanding amount and added to the June statement

14. Can I extend the Moratorium Period or select the number of months for which the payment towards my Overdraft account is deferred?

You cannot change or select the months under the Moratorium. Payments on Overdraft account falling due between April 1st, 2020 to May 31st, 2020 are only deferred.

15. [Can I foreclose the overdraft facility during the moratorium period?](#)

You may choose to foreclose the overdraft as per the applicable terms and conditions during the Moratorium Period only if you do not opt for the Moratorium.

Frequently Asked Questions for Moratorium 2.0

Moratorium / COVID-19 regulatory package for Payroll Overdraft and Smart Credit Products

Payroll Overdraft Facility

1. What is Moratorium 2.0

RBI had issued fresh guidelines regarding moratorium under the COVID 19 Regulatory package vide circular dated May 23,2020. Under these guidelines, RBI has extended the moratorium by three months on interest payment for overdraft facility falling due between June 1, 2020 and August 31, 2020.

2. How does the moratorium work?

For Moratorium 2.0 your monthly minimum due (which is 5% of utilised amount) will not be charged for the month of June 2020. 5% of the utilised amount as on 15th of June 2020, will become due on the 15th of July 2020 (post the 1 month of moratorium period).

The interest on the utilised amount will also not be debited on 30th June 2020 as is the usual process. However, interest will continue to accrue at applicable interest rate (15.5% annually), this will be debited from the linked salary account after the end of the Moratorium i.e. 30th September 2020 or as per the option selected by you Do note that clients are free to pay back the principal at any point of time to prevent interest accrual.

This will be provided for clients who are not overdue. Overdue clients will need to pay the Total Outstanding amount on the due date (15th of every month). After the account is regular the moratorium will apply for the remaining period.

3. In case I avail the moratorium, will I be charged interest on interest for the moratorium period?

There will not be any levy of Interest on Interest during the moratorium period. This is because while interest will continue to be accrued, the levy of the same will not happen till 30th September. However, interest will continue to accrue on any outstanding principal during the period.

Please note the below example:

Client X utilises an average of INR 10,000/- in the month of June 2020

Interest for June INR 129.17/- (assuming Interest @ 15.5% annually) will be accrued but not debited from the salary account on 30th June 2020

Also, 5% of the outstanding principal as on 15th June (withdrawn overdraft amount), will be due on the 15th of July.

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

For Payroll Overdraft clients, all the borrowers who were under Moratorium 1.0, Moratorium 2.0 will be automatically extended to them only for June 2020, until and unless they send an SMS requesting to Opt Out of Moratorium 2.0 mentioning *MORTN <Account No>* to 8693800500 by June 20,2020. If these borrowers want the moratorium for the month of July & August 2020, these borrowers will have to opt-in for the moratorium by sending a SMS mentioning *MORTY <Account No>* to 8693800500 by July 10, 2020. For all other borrower(s), who are non-delinquent as of 31st May 2020, they will need to specifically OPT-IN for availing the Moratorium 2.0 by sending an SMS mentioning *MORTY <Account No>* to 8693800500 by July 10,2020.

5. As a Payroll Overdraft client if I do not want to avail the moratorium what do I need to do?

(Please mention that for June, client will have to opt-out & July/Aug – he need not to as for these 2 months, approach is opt-in. Amend the response on these lines) If you were under Moratorium 1.0, and don't want to avail moratorium for June 2020 you can send an SMS mentioning *MORTN <Account No>* to 8693800500 by June 20,2020 The interest accrued for any utilised amount for June 2020 will be automatically debited during the July 2020 payment cycle on the 31st of July 2020. You are not expected to pay any minimum amount during the Moratorium period as well. This will only benefit the clients as there will be no extra interest, and principal repayments are allowed.

For the month of July and August 2020 if you want the moratorium you are expected to send an SMS mentioning *MORTY <Account No>* to 8693800500 by the 10th of July 2020. Incase if you do not want to avail the moratorium for July & August simply don't action.

The RBI notification has clearly specified that interest will continue to be charged on the outstanding amount during the deferment period, hence the interest for the utilised amount will get accrued and will be recovered post the Moratorium Period.

6. All other conditions remain same as Moratorium 1.0?

Yes, all other conditions related to credit rating, statement details, closure of the account remains same as Moratorium 1.0

Smart Credit Facility

1. What is Moratorium 2.0

RBI had issued fresh guidelines regarding moratorium under the COVID 19 Regulatory package vide its circular dated May 23 , 2020. Under these guidelines, RBI has extended the moratorium by three months on interest payment for overdraft facility falling due between June 1, 2020 and August 31, 2020.

2. How does the moratorium work?

For clients who have already opted under Moratorium 1.0 remains opted in for the month of June, July & August 2020. In case the client has not opted in then they can do so by responding to the SMS mentioning MORTY <Account No> to 8693800500 by the 20th of June 2020.

For borrowers who has OPTED-IN for the Moratorium, interest on the utilised amount will continue to get accrued at applicable interest rate. There will not be any levy of additional charges due to non-payment of interest. Please note that the moratorium is a deferment and not waiver of your Interest. Unpaid Interest will become payable post the Moratorium period.

3. In case I avail the moratorium, will I be charged interest on interest for the moratorium period?

There will not be any levy of Interest on Interest during the moratorium period. This is because while interest will continue to be accrued, the levy of the same will not happen till 30th September. However, interest will continue to accrue on any outstanding principal during the period.

Please note the below example:

Interest for June INR 129.17/- (assuming Interest @ 15.5% annually) will be accrued but will not fall due.

Interest for July INR 193.75/- (assuming Interest @15.5% annually) will be accrued but will not fall due.

Interest for August INR 64.58/- (assuming Interest @15.5% annually) will be accrued.

The total interest for three months INR 387.50 will fall due in September.

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

As a Smart Credit Facility client, you will need to inform the Bank by an OPT-IN that you would want to avail this opportunity through an SMS mentioning MORTY <Account No> to 8693800500 in case you have not opted in already as part of Moratorium 1.0.

5. All other conditions remain same as Moratorium 1.0?

Yes, all other conditions related to credit rating, statement details, closure of the account remains same as Moratorium 1.0