



**Policy on Moratorium/Deferment of Instalments - COVID 19
March 2020**

Background –

The World Health Organization recently declared COVID-19 to be a pandemic. Like some of the other countries in the World, the virus impact has led the Indian Government to announce a lock down across the country, to restrict it from spreading further. The lockdown situation has impacted the economy leading to delay in cash flows for the business & self- employed and salary credits for the salaried segments. This has a direct impact on loan repayments as well.

Looking at this issue, RBI issued a circular on March 27, 2020, wherein banks & NBFCs (including HFCs) are permitted to grant a moratorium of three months on payment of instalments falling due between March 1, 2020 and May 31, 2020 (RBI Notification Ref: no RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 “COVID-19 – Regulatory Package” dated March 27, 2020).

The aforesaid RBI Notification requires all lending institutions to frame a Board approved policy for providing the above mentioned reliefs to all eligible borrowers.

Eligibility Criteria

Customers satisfying following criteria would be eligible to seek for EMI moratorium/interest deferment:

- All the customers of Centrum Housing Finance Limited (“CHFL”) having outstanding loan as at 1st March 2020.
- The customers must submit consent for terms and conditions governing the moratorium and for the revised repayment schedule.
- The offer of moratorium and acceptance may be through any mode of communication (Email/SMS/Digital Document/Physical Document etc.).
- Accounts with > 90 DPD as of March 1, 2020 and in arbitration will not be eligible for moratorium.

Details of Relief

- Moratorium of three months on all loan instalments falling due between March 1, 2020 and May 31, 2020.
- Interest shall continue to accrue on the outstanding portion of the loans during the moratorium period as per the terms of the loan agreement.

CHFL's policy for providing the said relief to borrowers

- CHFL shall offer to all borrowers who wish to avail of the facility of moratorium for loan instalments falling due between March 1, 2020 and May 31, 2020.
- CHFL shall continue to charge interest, at the contracted rate, for the moratorium period on the outstanding amount of loan to all those who avail the relief under this policy. The EMI and / or balance tenure may be modified.
- Where CHFL is part of co-lending, the decision on such deferment shall be jointly taken with the co-lending partner before conveying the decision on the deferment.
- NACH mandates / other payment instruments on hand will be presented in April 2020 for all customers other than those whose request for deferment of EMIs has been received. Customers, whose instrument so sent for collection is not cleared, will be deemed to have availed of the moratorium and necessary relief would be provided as per the RBI guidelines.
- Customers whose EMI due in March 2020 have cleared can opt in for balance 2 months of deferment. Customer whose EMI due in March 2020 was not cleared shall be deemed to have opted for deferment and their 3 EMIs including for March' 20 shall be deferred or they can make payments for April and May 2020.
- Upon deferment, communication to be sent to the customer.

Asset classification

Accounts where deferment is permitted shall continue to carry classification of March 1, 2020 till the end of deferment period.

DPD status of all loan accounts which were overdue as on February 29, 2020, after the deferment of EMIs due between March 2020 to May 2020, will freeze until May 31, 2020 and start running thereafter. If there is any collection in these accounts, the DPD status would improve.

Charges waiver

Penal interest/ bouncing charges shall not be charged for such deferments. No separate transaction fee will be charged for deferment.

Regulatory reporting

The deferment of EMIs as per this policy will not result in asset classification downgrade and not qualify as a default for the purposes of reporting to Credit information companies (CICs) and for the purpose of supervisory reporting (SMA).

Validity of the policy

This policy shall be valid up to May 31, 2020 or further period as may be extended by the regulator.

Note: Once a customer approaches CHFL with a request for EMI moratorium/interest deferment, it will have evaluated and if satisfied with the merits of the case, EMI moratorium/interest deferment will be considered at the sole discretion of CHFL.