

1. What are relaxations permitted by RBI on retail loans on account of COVID-19 pandemic?

Ans: RBI has allowed rescheduling of payments, both Term Loans and Working Capital facilities.

2. What are the facilities in Term Loan accounts?

Ans: As per RBI's guidelines, Banks will grant a moratorium of 3 months on payments of all term loan installments falling due between March 1, 2020 and May 31, 2020.

3. When these installments are required to be paid?

Ans. Installment due between March, 1 2020 and May 31, 2020 are required to be paid after the moratorium period.

4. What will happen to interest accrued during this period?

Ans. Interest shall continue to accrue on the outstanding portion of the Term Loan during the moratorium period.

5. Whether it will change the classification of account?

Ans: No. the account will remain standard account during the moratorium period of 3 months.

6. What are relaxations given by RBI for Cash credit/ Overdraft facilities?

Ans: Banks are permitted to defer the recovery of interest applied in these accounts during period from March 1, 2020 upto May 31, 2020.

7. When these interests are to be paid?

Ans: The accumulated interest shall be recovered immediately after completion of moratorium period of 3 months.

8. Whether moratorium of EMI is available on Retail Loans.

Ans: Yes

9. What kind of loans does the moratorium cover?

Ans: All Retail loans are typically home loans, personal loans, education loans, auto and any loans that have a fixed tenure.

10. My EMI is due soon. Will the payment not be deducted from my account?

Ans: Borrowers have the option either to defer the EMI or continue to repay the EMI.

11. Will non-payment result in impact on my credit score?

Ans: Once relief has been granted by bank, non-payment will not result in any impact on credit score.

12. Is this a waiver of EMIs or a deferment of EMIs?

Ans: This is not a waiver, but a deferment. The repayment schedule and all subsequent due date as also the tenor for such loans will be deferred.

13. Does the moratorium cover both principal and interest?

Ans: Yes. It does. You will be exempt from payment of your entire EMI, including principal and interest for three months. This will be applicable on all loans outstanding as on March 1, 2020.

14. How does one is benefited?

Ans: There will not be an impact on your credit history if you avail the moratorium facility. Also, unlike salaried people, there are many people who don't have a regular cash flow. Some of the salaried people might face pay cuts or delayed payments or layoffs due to the lockdown. Therefore the moratorium will benefit if you are facing problem of liquidity as you can pay your bank or financial institution after 31 May.

15. Do I have to pay my EMI next month?

Ans: It is not that one will not have to pay EMIs due between 1 March and 31 May. However, one can pay if he/she wishes to.