

Frequently Asked Questions for EMI Moratorium Requests

The Reserve Bank of India vide its notification RBI/2019-20/186, DOR.No.BP.BC.47/21.04.048/2019-20 namely COVID 19- Regulatory package released on 27th March 2020 and RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 announced certain measures to ease the burden of repayment of dues towards banks due to disruptions on account of the COVID-19 pandemic. The said guidelines stand extended by circular of RBI dated 23.05.2020 (DOR.No.BP.BC.71/21.04.048/2019-20). The notification, circular and the press release is in hereinafter referred to as the “said directives”. The RBI has permitted banks to defer the repayment of loan EMIs (Equated Monthly Installment) by the customers for EMI due dates falling between 1st March 2020 (“Start Date”) - 31st August 2020 (“End Date”). During this period, you may choose not to pay the Loan EMI. There will be no penal charges levied and no reporting to credit bureau in default status, however, the interest will continue to accrue which shall be recovered by the banks. You will be required to make the interest payment towards the outstanding to avoid penal charges and credit bureau reporting.

This benefit is applicable for loans in good standing as of March 2020 (This benefit is applicable to all customers who have availed credit facilities from Citibank or its affiliates and their facility is classified as “Standard” as on 1st March 2020 i.e. none of the credit facilities are greater than 89 days past due as on 1st March 2020 or have crossed 89 days past due on or before 1st March 2020.)

Q1. What the RBI has exactly allowed

As per the said directives, RBI has provided the banks with the permission to allow moratorium of six months between March 1, 2020 and August 31, 2020 on repayment of instalments for term loans which are classified standard as on 1st March 2020. During this period, you can choose not to make payments which are otherwise due on the payment due dates per your loan schedule. Moratorium of the loan EMI (Equated Monthly instalment) is applicable until August 31st, 2020.

Q2. Since the instalment are not to be paid during the moratorium period, how will the loan be adjusted and what will be its effect on the loan agreement?

The moratorium is to be treated as a deferment of EMI and not a waiver of EMI. In line with said directives, interest shall continue to accrue on the outstanding portion of the loan during the moratorium period and will be payable by you. The interest unpaid shall be added to Total Outstanding (TOS) for interest calculation for the subsequent month at the prevailing rate of interest. A simple illustration is provided for reference:

Details	Amount (INR)
Loan outstanding as of April 1, 2020	10,00,000
Add: April Interest @12% (p.a.)	10,000
April EMI received	-
Loan outstanding as of May 1, 2020	10,10,000
Add: May Interest @12% (p.a.)	10,100

May EMI received	-
Loan o/s as of June 1 st	10,20,100
Add: June Interest @12% (p.a.)	10,201
June EMI received	-
Loan o/s as of July 1 st	10,30,301
Add: July Interest @12% (p.a.)	10,303
July EMI received	-
Loan o/s as of Aug 1 st	10,40,604
Add: Aug Interest @12% (p.a.)	10,406
Aug EMI received	-
Loan o/s as of Sep 1 st	10,51,010

At the end of moratorium period, the total interest accrued during the Moratorium period shall be added to the total outstanding of the loan and recovered over the remaining tenor of the loan. You will have to pay the interest as per revised repayment schedule with balance tenor being increased at the end of the original tenor of the loan. Please note that the EMI amount will remain same during the original tenor. Revised repayment schedule will increase your tenor, so as to adjust the moratorium period finally availed by you and also the interest during the moratorium period.

Q3. What is the objective of the moratorium period?

The objective of moratorium period is to provide relief to individuals and businesses who face temporary financial constraints arising from the COVID-19 pandemic. We hope that this support would allow individuals and businesses to better face financial adversities and challenges during this period.

Q4. Will my credit bureau score be impacted if I do not make payments?

No, there will be no adverse credit reporting on your credit bureau records for EMI payments not received during the moratorium period for the loans classified as standard and opted for moratorium. Loans which are classified as nonstandard the bureau reporting shall be as per actual days past due (DPD).

Q5. Will any charges be levied I don't make payments?

No, there will be no levy of penal or bounce charges on the EMI payments not received during the moratorium period on the eligible loans Opted for moratorium.

Q6. What is the process to be followed for getting the benefit of instalment moratorium?

If your loan account was classified standard as on 1st March 2020 and you have not paid for any of the months during the moratorium period (between March 1, 2020 and August 31, 2020), then it will be considered that you have opted for loan moratorium.

We will continue to present the EMI mandate as per normal business practice. If there are no funds in the repayment account, the EMI will not get cleared. No delay charges will be levied in the above case. Neither will there be any impact to the credit rating if opted for moratorium

In case you wish to stop your mandate for the month of July/Aug, as mentioned above, pls. write to wecare.cfil.india@citi.com. There will be no adverse impact on credit bureau reporting or levy of any charges on non-presentation of EMI

Q7. My EMI has been cleared, can I get a refund on the same. How many days will the refund process take?

You can reach out to us for reversal of EMI for moratorium period (payments made between March 1, 2020 and August 31, 2020 by writing to wecare.cfil.india@citi.com. The refund process will take 10-15 days. Please note that interest charge will continue on the amount refunded at the contractual rate at which you have taken the loan. Further, please note, no refund can be made if the loan is already closed on maturity.

Q8. What if I don't wish to avail the Moratorium period?

The Bank will continue to present the EMI mandate as per normal business practice and if the EMI gets cleared the same will be applied to the loan. There is no other action required from your end.

Q9. What will happen after the relief period /moratorium is completed?

Interest shall continue to accrue on the outstanding portion of loan and the same will be payable by you as per EMI schedule. Post the relief period / moratorium you are supposed to pay the installments on the due dates. You will have to pay the interest as per revised repayment schedule with balance tenor being increased at the end of the original tenor of the loan.

Q10. What will happen to the accounts which are non-standard or Non-Performing Asset (NPA) on or before 1st March 2020?

There is no moratorium period for loans which are non-standard or classified as NPA on or before 1st March and we request you to kindly clear the same without any delay to avoid levy of charges.

Q11. How are customers being updated on the Moratorium benefit we are offering?

A communication through SMS will be sent to all eligible customers. Detailed Policy note is also available on the Bank's website.

Q12. How will the interest amount be calculated?

The moratorium is to be treated as a deferment of EMI and not a waiver of EMI. In line with the said directives, interest shall continue to accrue on the outstanding portion of the loan during the moratorium period.

Q13. How will the interest amount be collected post the moratorium?

Post the relief period / moratorium you are supposed to pay the installments on the due dates. You will have to pay the interest as per revised repayment schedule with balance tenor being increased at the end of the original tenor of the loan

Q14. What would be the status of cases booked in March, 2020? Will non-payment reflect in the CIBIL for these contracts?

Moratorium is offered for loans booked in March, 2020 and non-payment will not reflect in CIBIL for these cases, if opted for moratorium.

Q15. Will any fresh documentation would be required for change in terms and conditions?

When you approach us for the moratorium, we will advise you on the documentation, if any, required.

Q16. Whether any documentation charges be levied?

No. There will not be any documentation charges levied.

Q17. Will fresh repayment schedule be sent to us?

No, the additional document will cover this aspect

Q18. How will structured cases be treated as or adjusted (Considering if lower EMI's are around May/June – Sep)?

This moratorium is not available to cases that are already under restructuring. If it is not a restructured account, then it will become eligible for moratorium for EMI coming due during the specified period (even though the EMI amount may be different).

Q19. For customers with contracts falling 1st EMI due on Apr'20 / May'20, will they be eligible for moratorium period?

Yes, the facility is available for all contracts booked till 31st Mar, 2020 and 1st EMI due in Apr'20 / May'20

Q20. If opted for the deferment, what if I want to make change post April'20 or if opted, it is for April to Aug'20 or for Apr'20 only?

The deferment under the Moratorium is applicable for the period April 2020 to Aug 2020 once opted in Apr'20. You may opt out anytime between May to Aug by writing to wecare.cfil.india@citi.com. As mentioned above, we encourage you to continue to make payments, if possible, to reduce the interest amount.

Q21. For the six months, no penal / charges will be paid, it that applicable for the overdue EMIs of the same specific contract?

The waiver of penal charges is for the amount not paid for the months as stipulated by RBI and penal charges will continue to accrue for outstanding amount as on 29th February 2020 as per the contractual rate for the moratorium period too.

Q22. Who will the contact point RBI relief measures correspondence and accepted modes. ?

In these difficult times there are constraints and presently we encourage you to use our email channels, please write to us @ wecare.cfil.india@citi.com for any concerns or queries.