



HDFC Credila

COVID - 19 Moratorium Policy

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Presented By

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1. Preface

Further to the notification (RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20) issued by the Reserve Bank of India (RBI) on COVID-19 Regulatory Package dated March 27, 2020, HDFC Credila granted a 3 month moratorium for the period March 01, 2020 to May 31, 2020 to all eligible borrowers in order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses.

In view of the extension of the lockdown and continuing disruption on account of COVID-19, RBI vide Statement on Developmental and Regulatory Policies dated May 22, 2020 and notification RBI/2019-20/244 dated May 23, 2020 decided to extend the moratorium on term loan installments by another three months, i.e., from June 01, 2020 to August 31, 2020.

2. Purpose

This policy will provide the guiding principles for implementation of the 'COVID-19 Regulatory Package' including the 'Statement on Developmental and Regulatory Policies' for loans outstanding as on March 1, 2020 and delegation of authority to provide relief to its borrowers in terms of providing moratorium on term loans, working capital, etc. as permitted by RBI guidelines.

3. Eligibility

The Company had extended the moratorium to all borrowers with loans outstanding as on March 01, 2020 subject to the loans being not more than 179 days past due (DPD) as on March 01, 2020. The option of opting out of the moratorium facility was provided to customers via their online account on the Help portal (<https://www.credila.net/help/login.asp>). All customer communication including SMS and Email included relevant links to ensure full transparency and ease of navigation.

4. Moratorium of Term Loans (March 1, 2020 to May 31, 2020)

4.1 The Company provided moratorium to all borrowers on their education loans in accordance with RBI guidelines for all repayments (interest and principal) as below:

- ✓ Interest will continue to accrue on the outstanding Principal of the loans during the moratorium period
- ✓ The accrued interest at the end of the moratorium period will be added back to the principal outstanding of the loan

- ✓ For loans that are in interest only payment mode and not in Monthly Installment payment mode (i.e. interest + principal repayment), we will add the interest accrued during the moratorium period to principal at the end of study + grace period

4.2 Customers were provided the following options:

- ✓ Opt not to take the moratorium and continue to make payments regularly as before (4.3 below)
- ✓ Retain the existing Monthly Installment and thus extend the term (this **was** the default option for all customers who avail the moratorium)

4.3 Borrowers wishing to opt out of moratorium extension

Borrowers were given an option to opt out of the moratorium by triggering requests through their online account on the Help Portal which was provided to them via sms/email/website. In case there was no communication from the customer to the contrary, the borrowers were deemed to have accepted the moratorium and agreed to the increase in loan tenure.

For cases opting out of the moratorium, the Company sent a confirmation SMS / email confirming their request to continue paying their dues.

5. Extension of Moratorium of Term Loans (June 1, 2020 to August 31, 2020)

5.1 In response to the RBI notification for the Extension of Moratorium of Term Loans dated May 27, 2020, the company will now be extending the moratorium to customers as below:

- For customers currently availing the moratorium (initial 3 month moratorium) - Communication will be sent to such customers informing them of the option to opt out of further moratorium extension by triggering requests through their online account on the Help Portal which will be provided to them via sms/ email/ website. In case there is no communication from the customer to the contrary, the said customer would be deemed to have accepted the moratorium extension and in agreement with the increase in loan tenure.
- For Customers who opted out of the moratorium (initial 3 month moratorium) - Communication will be sent to such customers informing them of the option to opt in for the moratorium extension by triggering requests through their online account on the Help Portal which will be provided to them via sms/email/website. In case there is no communication from the customer to the contrary, said customer would be deemed to

have opted out of this moratorium extension as well.

5.2 Loans days past due of 180 days and more

The Company shall decide on extending moratorium on a case to case basis.

5.3 Other considerations

- ✓ No penal charges shall be charged on installments due during the moratorium extension
- ✓ The Company did not, in general, refund any amount received from borrowers due to the applicability of the initial moratorium. For customers who paid their March 2020 installment and still wanted to avail the moratorium, the Company offered moratorium for March and shall use the March installment to offset the September 2020 receivable from the customer

6. Asset Classification & Reporting

The rescheduling of payments, including interest, due to moratorium will not be treated as concession or change in terms and conditions of loan agreements due to financial difficulty of the borrower under paragraph 2 of the Annex to the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 and the Company's policy in this regard.

The overdues of borrowers before the start of the moratorium period would follow the current applicable asset classification norms as applicable to HDFC Credila.

6.1 Reporting to Credit Information Companies

The rescheduling of payments, including interest, will not qualify as default for the purpose of reporting to the Credit Information Companies. The Company shall ensure that the credit history of the borrowers is not adversely impacted due to opting for moratorium.