



Policy on EMI /PRE-EMI Moratorium – COVID 19

COVID – 19 has been declared a Pandemic by the World Health Organization. We have seen far reaching effects of the virus across the world. In order to prevent the spread of the pandemic in our country, the Government of India has applied a 21-day lockdown across the country. This has affected the economic activities of the country across most sectors impacting the repayment capacity of borrowers. The Reserve Bank of India (RBI) vide its notification *RBI/2019-20/ 186 DOR.No.BP.BC.47/21.04.048/2019-20 “COVID-19 – Regulatory Package” dated March 27, 2020* and as may be updated from time to time (“Covid Regulation”), a moratorium of three months is available on payment/ repayment of equated monthly installments in respect of all installments/ payments falling due between the period beginning March 1, 2020 until May 31, 2020 (“Moratorium”) to customers whose ability to pay the EMI is challenged by Covid19.

Moratorium is a period where the repayment / payments/ installments which are due for payment as per the terms and conditions of the credit facility(ies) availed by the borrower(s)/ customer(s) shall be deferred till May 31, 2020.

The RBI vide its notification dated May 23, 2020 (“Covid Notification”) has provided for further extension of the Moratorium by another three months i.e. from June 1, 2020 to August 31, 2020 to such customers where economic fallouts are due to COVID-19.

In accordance with recent COVID-19 – Regulatory Package notification dated May 23, 2020, the borrower(s)/ customer(s) can choose to OPT-IN for availing the Moratorium in respect of the amounts falling due under the respective credit facilities during the period beginning June 1, 2020 until August 31, 2020.

The customer(s)/ borrower(s) will need to apply separately for Moratorium falling due for payment in the months from June 1, 2020 to August 31, 2020.

The borrower(s)/ customer(s) can choose to **OPT-IN** or **OPT-OUT**, for availing the Moratorium in respect of the credit facility(ies) availed.

The borrower(s)/ customer(s) shall continue to be governed and bound by the terms and conditions applicable to their respective loan facility(ies).

Important Terms applicable to moratorium:

1. Customers must establish to the complete satisfaction of the Company and/or their representative employees / agents that their **repayment ability is continuously challenged by Covid-19** and necessitates moratorium in EMI /PRE-EMIs payment/s. The Company after satisfactory representations made by the customers, at its sole discretion, may permit such moratorium/s.
2. Interest on outstanding value of the Loans availed by the borrower(s)/ customer(s) shall continue to accrue during the Moratorium. The Moratorium should not be construed in any manner as waiver of interest and or principal which is due as per the terms of the Loan disbursed/ availed and the repayment schedule(s) drawn from the date of disbursement(s).
3. Interest accrued during the period of Moratorium shall be added to the principal outstanding under the credit facility(ies) and interest thereon shall be calculated on the total amount outstanding under the respective credit facility(ies) on each due date of payment during the Moratorium.



4. The repayment schedule of the credit facility(ies) shall undergo a change and the EMI /PRE-EMI of credit facility(ies) shall increase for recovery of accrued interest added to the principal amount during the Moratorium.
5. Revised repayment schedule in respect of the credit facility(ies) for which Moratorium has been availed shall be sent by the company through any electronic medium such as email, SMS or any other medium which the company finds suitable.
6. The Moratorium shall not qualify as a default for the purposes of supervisory reporting and reporting to credit information companies (CICs) like CIBIL. Hence, there shall be no adverse impact on the credit history.
7. Any payments/ repayments made by customer(s)/ borrower(s) who have applied for Moratorium during the Moratorium period will not be refunded and shall be adjusted towards the credit facility(ies).
8. All other terms and conditions applicable to the respective credit facility(ies) remain unchanged and in full force and effect.
9. The Moratorium option is not available for borrower(s)/ customer(s) whose accounts have been classified as non-performing asset. Borrowers are requested to pay such dues immediately to avoid adverse credit bureau reporting and further penal charges. Customers may clear outstanding dues via NEFT.

The details for NEFT are as under –

Company Name : Fasttrack Housing Finance Limited
Bank Name : ICICI Bank
Virtual Account No : FHFL+ Last 9 digits of Customer Loan No
IFSC code : ICIC0000104

For Example:

If customer Mr XYZ having LAN No. L XKYN00116-170000087 wants to make any online payment then he can do so through Virtual account.

Accordingly, Virtual account no. will be: FHFL170000087
IFSC Code: ICIC0000104

10. The customers must submit consent for terms and conditions governing the moratorium and for the revised repayment schedule through any mode of communication (E-mail / SMS / Voice Recording / Physical Document). The request format is attached along with..
11. We are simultaneously reaching out to our borrower(s)/ customer(s), through various mediums like personal calling, SMS to evaluate their well-being and explain the policy and the monetary impact of requesting for the moratorium.
12. Any EMI /PRE-EMI moratorium shall be considered at the sole discretion of Fasttrack Housing Finance Limited.
13. The moratorium shall be applicable on a prospective basis from the month in which the customer applies to avail the Moratorium.



14. Customers who have availed moratorium earlier should make a fresh application for Moratorium falling due for payment in the months from June 1, 2020 to August 31, 2020.
15. We reserves the right, at any time, with or without previous notice, to add, modify, alter, change or vary the terms of the Moratorium in accordance with the Covid Regulations and the regulatory framework.
16. The Moratorium and the applicability of the conditions there under are subject to further clarifications and guidance as may be provided by RBI from time to time.
17. If Customers are not able to contact us through phone, then they can send us queries and request through email at contactus@fasttrackhfc.com

We wish your well-being. Stay safe and healthy at home.



FAQs – Frequently Asked Questions on Moratorium:

1. Is moratorium compulsory or optional?

The moratorium is optional for all kinds of credit facilities such as Home Loans, LAP.

2. What is meant by moratorium?

Moratorium is temporary postponement of payment of interest/ principal/ instalments (and is not a waiver). Interest shall be payable on all amount(s) for which payment is being postponed pursuant to the Moratorium.

3. Will the interest accrue during the moratorium period?

Yes, the interest shall accrue during the moratorium period. Treatment of the interest shall be as per the relevant terms and conditions applicable to the respective Loan facility.

4. Is the RBI decision related to loan is a waiver of EMI /PRE-EMIs or a deferment of EMI /PRE-EMIs?

This is not a waiver but a deferment. borrower(s)/ customer(s) will have to pay the EMI /PRE-EMIs at later as decided by Fasttrack.

5. Does the moratorium cover both principal and interest?

Yes, If approved by Fasttrack, borrower(s)/ customer(s) can defer payment of entire EMI /PRE-EMI.

6. Does that mean any EMI /PRE-EMI outstanding prior to moratorium is payable now?

Yes, borrower(s)/ customer(s) are requested to pay such dues immediately to avoid adverse credit bureau reporting and further penal charges.

7. How will interest be charged and recovered for term loans such as Home Loans, LAP?

The accrued interest would be added to the principal amount which shall increase the EMI /PRE-EMI of the loan except in cases where extension of EMI /PRE-EMI is not possible in such case the tenure will be increased.

Illustration: Mr Ajay availed a housing loan wherein as on Mar 2020 Outstanding Loan is amounting to Rs 15 Lakhs with the balance loan tenure of 154 months and rate of interest at 14%. If Mr Ajay wants to avail moratorium on current EMI of Rs 21,023 which is due in Apr month then the interest for the month of April amounting to Rs 17,500 will be added to the principal amount and revised opening principal amount in May month will become Rs 15,17,500. The interest will be computed on revised principal. Similarly, the interest for the month of May of Rs 17,705 will be added to the opening principal on May month which will be Rs 15,35,205. The EMI will be computed on revised principal. In this case Mr Ajay's EMI will increase from Rs 21,023 to Rs 21,517 considering the unchanged rate of interest and installment tenure during this period.



8. Can customer deposit the money in Fasttrack's ICICI collection account directly?

Yes customer can make payment, while making payments the customer needs to mention the loan account number for identification and crediting the proceeds. Also the same needs to be informed to the respective collection officer via SMS, Email or WhatsApp for confirmation of receipts.

9. Will there be late payment charges/ default interest/ additional interest for the deferred installments during the moratorium period?

No late payment charges/ default interest/ additional interest shall be levied during the moratorium period.

10. Can I make payments in between the Moratorium period?

It is a relief granted to the borrower due to disruption caused due to unprecedented outbreak of COVID-19. However, the option lies with the borrower(s)/ customer(s) to either repay the loan during this moratorium as per the actual due dates or avail of the benefit of the Moratorium.



Format of Request Letter for EMI /PRE-EMI Moratorium

Dear Sir / Madam

I have taken a housing loan vide loan account no. _____ from Fasttrack Housing Finance Limited. My primary source of income is _____ and the same is affected due to the lockdown imposed by the Government of India.

I wish to seek a moratorium on my EMI /PRE-EMI repayments for 1 / 2 / 3 months as applicable based on RBI announced COVID-19 – Regulatory Package. I understand that the moratorium only defers my EMI /PRE-EMI payments and that I will be charged interest for the moratorium period. I will pay the revised EMI /PRE-EMIs regularly as decided by Fasttrack Housing Finance Limited. I understand that my revised repayment schedule will be extended and I shall abide by it.

Thanking you.

Yours Sincerely,

Borrower Name: _____

Mobile Number: _____