

RBI COVID-2019 Regulatory Package: Moratorium

In accordance with the COVID-2019 – Regulatory Package notification dated Mar 27, 2019 issued by Reserve Bank of India (“RBI”) and as may be updated from time to time (“Covid Regulation”), a moratorium of three months is available on payment/repayment of (i) Pre-EMI interest (ii) equated monthly instalments; as the case may be in respect of all instalments/payments falling due between the period beginning Mar 01 until May 31, 2020 (“Moratorium”).

NATRUST extends Moratorium to its customers for the loan facilities availed by them such as Home Loan for construction, purchase of property/ Home Equity or Loan against Property / Loan against Commercial Properties/Composite Loans.

Customers will need to specifically apply for availing of Moratorium and postponement of payments falling due for payment between the period beginning Mar 01 until May 31, 2020 by sending (i) an e-mail to help@natrusthome.com (ii) a letter to reach us four days before their due date of April 2020, failing which it will be deemed that borrower/customer has not opted for Moratorium.

However, extending the moratorium for the borrowers who have applied for moratorium is at the discretion of NATRUST.

If the borrowers / customers (whose cash flows are not impacted) do not wish to avail the Moratorium may continue to repay the loan as per the existing schedule.

In case of customers/ borrowers enjoying multiple loan facility from the NATRUST, the Moratorium option will have to be exercised individually/ separately for each loan.

GENERAL FAQs:

1. What is the moratorium provided for loans under COVID 2019 - regulatory package?

Moratorium is temporary postponement of payment of PEMI interest/ EMI (and is not a waiver) for the period from Mar 01 to May 31, 2020. Interest will be payable on all amounts for which payment is being postponed pursuant to the Moratorium.

2. Who is eligible?

All NATRUST customers prior to 1st March 2020 may opt for the moratorium scheme. The moratorium requests shall be considered by us based on its merits.

3. Is moratorium compulsory or optional?

The moratorium is optional for all kinds of loans such as Home loans, Home Equity /Loan against Property (LAP), Loan against Commercial Property (LACP).

4. For what period can the moratorium be granted?

A moratorium may be granted up to a period of three months for all amounts falling due between Mar 01, 2020 and May 31, 2020.

5. Is the moratorium on principal or interest or both?

Moratorium can be offered for below payments due during the moratorium period.

- (i) Pre-EMI interest (PEMI);
- (ii) Equated Monthly Instalments (EMIs);

6. Will the interest accrue during the moratorium period?

Yes, the interest will accrue on the principal outstanding for the period of the moratorium at the contracted rate of the loan. Interest so accrued will be apportioned for the balance tenure of the loan and collected as part of enhanced EMI.

7. How will interest be charged and recovered?

The accrued interest would be added to the principal amount which will increase the EMI for the balance tenure of the Loan.

8. What would be the overall impact I will have if I opt for the moratorium?

By opting the moratorium, the customer would get a temporary EMI holiday period. However, the balance tenure of the loan would get increased by the moratorium period, interest would be accrued for the moratorium period and consequently the EMI would be increased for the balance tenure.

This can be explained by way of example as below:

Illustration:

Balance Tenure	10 years	15 years	20 years
Proposed Moratorium	3 months	3 months	3 months
Loan Outstanding	12,00,000	12,00,000	12,00,000
Rate of Interest	15%	15%	15%
Remaining Tenure in months	120	180	240
Revised Tenure in months	123	183	243
Current EMI	19,360	16,795	15,801
Revised EMI	20,095	17,433	16,401
Total payment to be made without Moratorium	23,23,200	30,23,100	37,92,240
Total payment to be made with Moratorium option	24,11,400	31,37,940	39,36,240
Additional payment to be made by availing Moratorium during the balance tenure	88,200	1,14,840	1,44,000

For example, if a customer has a loan outstanding as on 1st March 2020 of Rs.12 lacs with balance tenure of 20 years would like to avail a moratorium of 3 months, the impact would be, the customer is not required to pay the EMI's for the 3 months moratorium period. His balance tenure would increase by 3 months ie from 240 months to 243 months. Due to interest accrual during the moratorium period, his EMI would get increased from Rs.15,801/- to Rs.16,401/- thereby having an overall impact of increased outflow of Rs.1,44,000/- to be paid by the customer during the balance tenure of the loan.

9. How can I opt for the moratorium?

You can opt for the moratorium by sending (i) an e-mail to help@natrusthome.com or (ii) a letter, to reach us four days before your due date of April 2020, failing which it will be deemed that borrower/customer has not opted for Moratorium.

Note: Please mention your full loan account number clearly in your request email/letter.

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

No. We will not levy late payment charges/ default interest/ additional interest during the moratorium period.

11. Do I need to submit fresh Auto Debit or NACH debit mandates?

Yes, due to interest accrual, the EMI portion for the balance tenure would get extended. Fresh NACH form to be collected on a case to case basis.

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

Moratorium is a relief granted to the customer due to disruption caused due to unprecedented outbreak of COVID-2019. However, the option lies with the customer to either repay the EMIs during this moratorium as per the actual due dates or avail of the benefit of the Moratorium.

13. Will a payment of EMI during the moratorium be considered as prepayment?

If the due EMI is paid, then it will not be considered as prepayment.

14. Will the seeking of Moratorium by the customer have an impact on their credit/bureau score?

The moratorium will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by NATRUST. Hence, there will be no adverse impact on the credit history of the customers.

Any delay in payments of dues/ outstanding amounts payable after the expiry of the Moratorium for customers/ borrowers who had availed of the Moratorium will qualify for the purposes of reporting to Credit Information Companies (CICs)/credit bureau by NATRUST.

15. Can I pay all 3 months EMI in Jun 2020?

Yes, 3 months EMI including the accrued interest can be paid in June 2020. In such cases, prior information of the same can be provided to the company.

16. If I have sufficient balance in my account and instalment of my loans is due, will the NATRUST debit the EMI during this period?

Yes, if you have **not** opted in for the moratorium.

17. Does the customer need to submit any documents for availing of the Moratorium?

You can opt for the moratorium by sending (i) an e-mail to help@natrusthome.com or (ii) a letter, to reach us four days before their due date of April 2020, failing which it will be deemed that borrower/customer has not opted for Moratorium. Fresh NACH forms for the revised EMI to be submitted on case to case basis.

Note: Please mention your full account number clearly in your request email/letter.

18. Is it ok if I continue paying the EMIs rather than availing of the moratorium?

Yes, please continue to pay your EMI which would save you from elongating the balance tenure of the loan and increase in your EMI amount.

19. Can I opt moratorium for EMI due in April and then pay EMI due in May?

Yes, it is permitted.

20. As per RBI, the moratorium is for 3 EMIs, in case I have already paid the EMI payable in March 2020, can I get refund of EMI paid in Mar 2020.

No. EMI paid in March 2020 will not be refunded.

21. Due to COVID-2019 outbreak, my business/job was impacted in the month of Mar 2020 hence I could not pay the EMI. Can I get moratorium for unpaid EMI?

Yes, you will be eligible for moratorium for EMI due in Mar 2020.

22. If my loan disbursement is done in Apr 2020, then would I be eligible for moratorium?

Yes, if your instalment/payment falls due on or before May 31, 2020.

23. If I have not opted for moratorium, whether NATRUST will debit PEMI/EMI during this period?

Yes, if you have not opted in for the moratorium.

24. In case of multiple loans availed from NATRUST, whether the moratorium is applicable for all facilities?

You need to specifically request for moratorium for the respective loan account specifying the loan account numbers. You can opt for the moratorium by sending (i) an e-mail to help@natrusthome.com or (ii) a letter, to reach us four days before their due date of April 2020, failing which it will be deemed that borrower/customer has not opted for Moratorium.

25. How will I come to know if moratorium is granted to me?

SMS communication confirming the grant of moratorium shall be sent to you by NATRUST, if you have applied for the moratorium. Confirmation letters would be sent to customers with revised EMI and revised balance tenure.