

FREQUENTLY ASKED QUESTIONS (FAQs)

Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)

1. What is the ex gratia payment to the borrower under the scheme announced by GoI?

The bank/ lending institution will provide ex gratia payment to the borrower account of the difference between compound interest and simple interest on loan accounts with sanctioned limits and outstanding upto Rs. 2 crores (aggregate of all the borrowings / facilities from all the banks and financial Institutions) for the period from 1st March 2020 to 31st August 2020.

2. What are the main features of the ex gratia to borrowers scheme?

The main features / highlights of the scheme are as under:

- a. Loan accounts with sanctioned limits and outstanding not exceeding Rs.2 crores (aggregate of all facilities with all the lending institutions) as on 29.02.2020.
- b. Loan accounts should be standard in the books of the lending institutions as on 29.02.2020.
- c. The relief shall cover the following segments – MSME Loans, Education loans, Housing Loans, Consumer Durable Loans, Credit Card Dues, automobile loans, personal loans to professionals and Consumption loans.
- d. The period reckoned for refund shall be from 1st March 2020 to 31st August 2020.

3. Do I have to apply for the relief?

No. The ex gratia relief will be credited to the account of all eligible borrowers without any requirement to apply.

4. Who will finalise the list of eligible accounts?

Individual banks/ lending institutions will finalise the list of eligible borrower for the relief based on the GoI guidelines.

5. How will the lending institution assess whether a borrower has aggregate loan facilities upto Rs.2.00 cr from the banking system?

Lending institutions are to assess this on the basis of information available with them as well as information accessible from credit bureaus.

6. Will my Non Fund Based Limits as on 29.02.2020 be included for arriving at the eligibility amount of upto Rs.2 crore?

No. Non fund based limits will not be included for arriving at the eligibility.

7. Whether Accounts categorised as SMA-0, SMA-1 and SMA-2 are eligible to avail the benefit of the package?

Yes, the accounts classified as SMA-0, SMA-1 and SMA-2 as on 29th Feb 2020 are eligible for the relief package.

8. Are NPA accounts eligible for the relief package?

No. The loan should not be a “Non Performing Asset” (NPA) as on 29.02.2020.

- 9. Whether borrowers who have opted for deferment of Interest and Instalment under the RBI COVID 19 relief package earlier are eligible to avail the benefit under the above relief?** Yes. The package will be available for eligible borrowers irrespective of whether they have availed or partially availed or not availed the moratorium on repayment announced by RBI vide DOR. No. BP.BC.47/21.04.048/2019-20 dated 27.03.2020 and extended on 23.05.2020.
- 10. Whether “partly disbursed loans” are covered under the relief package?**
Yes, provided that the sanctioned and outstanding amounts do not exceed Rs. 2 Cr. The outstanding as on 29.02.2020 shall be the reference amount for calculating the differential interest amount.
- 11. Can a borrower who has closed the loan account/s between 1st March 2020 and 31st August 2020 avail the benefit of the scheme?**
Yes. Such borrowers are eligible for refund of differential interest from 1st March 2020 upto the date of closure of account (not later than 31st August 2020).
- 12. In which of my accounts will the ex-gratia amount be credited?**
The differential amount will be credited to the respective loan account(s).
- 13. If I have already closed my loan account after March 1st 2020 , how will the differential amount be paid to me?**
It will be credited to your savings/ current account and if you do not maintain any such account with the lending institution, you can advise the lending institution the details of the account in other banks where the amount can be credited /remitted to.
- 14. Which Rate of Interest (%) shall be considered for calculating the package, i.e. RoI (%) considered at the time of sanction or RoI (%) as on 29.02.2020?**
- In respect of Housing loans, the rate of interest to be applied for calculating the differential interest component shall be the contracted rate as specified in loan agreements/ documentation applicable as on 29th February 2020.
 - MSME: In respect of term loans / Demand Loan, the rate of interest for the purpose of calculating the differential will be the contracted rate as specified in the loan agreements/ documentation applicable as on 29th February 2020.
- 15. What will be the treatment of penal interest/ penalties while arriving at the rate of interest?**
The contracted rate / interest rate prevailing as on 29.02.2020 which is considered for calculating the interest differential will exclude any penalties or any penal rate of interest applied in the account.
- 16. What will be the treatment for the repayments made in loan during the period from 1st March 2020 to 31st August 2020?**
The outstanding as on 29.02.2020 will be the reference amount for calculating the differential. Any repayment / credit subsequent from 01.03.2020 – 31.08.2020 shall be ignored for the purpose of calculation.

17. How can I flag my grievances related to the relief package?

The borrowers shall register his/her grievance by writing to RHFL in the exclusive mail id Rhf.Ex-gratia_grc@relianceada.com or call us at 02247416400 or may visit our branch and submit his / her grievance.