3 Months NO EMI – Frequently asked Questions

1. Applicability to what types of loans

Answer– All Term Loans (Loans having EMI), except that of Credit Card Loans.

Car, Home, Personal, Business, Consumer Products, Etc are covered under this.

Period – EMI falling between 1st March 2020 to 31st May 2020 are eligible for deferment/ moratorium (postponed payment of EMI)

But interest during this period will be charged on regular basis only (You have an option to defer the interest payment). It will help to manage cash flow.

2. Working Capital Loans (CC/OD Limits)

Answer– Drawings Powers of CC/OD will be changed by reducing margin or reassessing working capital cycle.

3. Compulsion of Non–Payment or Option?

Answer– Obviously, it is an option to the sufferer who is not in a position to pay due to negative cash flow. But you will be having option as you were paying earlier.

4. EMI is due soon. Will the payment not be deducted from my account?

Answer – RBI has only allowed banks to allow a moratorium. Individual banks will have to allow suspension of EMIs. But, policies are not issued by board of anybank expecting it by 30th March.

Considering the news as of now, EMI's will be debited but non payment will not result in NPA and bank will not take any action for non payment.

5. Which Banks can offer this benefit?

Answer – All commercial banks (including regional rural banks, small finance banks and local area banks), co–operative banks, all–India Financial Institutions, and NBFCs (including housing finance companies and micro–finance institutions) included.

6. Does the moratorium cover both principal and interest?

Answer – Yes. It does. If announced by your bank, you can forego payment of your entire EMI, including payment and interest.

7. Any schemes for Business people?

Answer– Emergency credit facilities will be provided by banks. As of now SBI has announced their product for working capital requirement upto 10% of existing facilities, Max. Upto 200 crores.

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