

Brief Background:

To address and mitigate the burden of Debt Servicing owing to the COVID-19 pandemic and to ensure continuity of viable businesses, RBI vide its Circular BP.BC47/21.04.048/2019-20 dated March 27, 2020 announced regulatory measures applicable to all banks, AFIs, NBFC, HFC.

This policy intends to enlist the action plan allowed by RBI and AVIOM Plan to assist the customer in the universal fight against COVID-19 Pandemic

Salient Features:

- Permitted for all outstanding housing loan and Loan against Property which are Standard asset as on 29th February 2020.
- Moratorium of three months on payment of instalments falling due during 1st March 2020 to 31st May 2020.
- Interest shall continue to accrue on the loan including the deferred instalment and interest.
- The overdue as on February 2020 would not change and also the DPD status.
- Asset classification of loans brought under relief to be determined on the basis of revised due dates.

Eligibility:

- All Housing Loan and Loan against Property borrowers who are undergoing stress and cash flow constraints owing to the current situation on account of COVID-19.
- Standard Accounts in our books as on 29th February 2020 including accounts with over dues and under default upto three instalments
- Accounts which were already NPA as on 29th February 2020, Settled Loan Accounts under OTS/Compromise or Written off accounts are not eligible for the said relief.
- Moratorium will also not be applicable to the staff loan and other loans with concessional rate of interest. However, the same is applicable to staff loan taken on commercial rate of interest.
- The application of this Policy / granting of repayment moratorium for a particular loan account shall be done on a case-to-case basis, after an evaluation of the merits of each individual case

Moratorium:

- The instalment and/or interest and EMI falling due from 1st March 2020 till 31st May 2020 may be deferred for all eligible cases.
- The status of overdue prior to the moratorium shall continue.
- Interest shall continue to accrue on the outstanding portion of the loan.
- The EMIs which were deferred during the Moratorium Period shall be payable by the borrower at a later date as per a revised repayment schedule issued by AVIOM.
- Penal interest will not be levied only for the EMI due during the moratorium period and it is applicable for the moratorium operating period only.
- No moratorium shall be extended to accounts which are NPA in our books as on 29th February 2020, accounts settled under OTS/ Compromise and written off accounts.

Status of accounts:

- Accounts which are overdue as on 29th February 2020 shall continue to be grouped under the respective DPD buckets during the period of the moratorium (i.e., the account will keep moving to the next bucket as per aging of the overdues during the moratorium period as well)
- The overdue as at the end of February 2020 is to be paid by the borrowers as early as possible to avoid slippage. However, penalty will be levied on these accounts and moratorium is not applicable on these overdue amounts.
- The rescheduling of payments, including interest, will not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies (CICs) by the lending institutions. CICs shall ensure that the actions taken by lending institutions pursuant to the above announcements do not adversely impact the credit history of the beneficiaries.
- Classification of standard loan accounts as on 1st March 2020 as performing or non-performing will be done on the basis of the status at the end of moratorium

Implementation:

- The policy is as per RBI guidelines issued on 27th March 2020 and the same is valid for period 1st March 2020 to 31st May 2020 only.
- Customers willing to avail the relief shall communicate their willingness to the Company by letter, mail/SMS message from registered ID, or through call or voice recording.
- Last date for conveying the same is 5th May 2020. In case of no communication from the customer, collection shall be done as per EMI schedule. However, considering the exceptional situation, in case the collection instruments are returned/ bounced it shall be the sole discretion of the MD & CEO to decide whether moratorium facility will be provided to that customer or not. For all such cases, customer will not dispute the interest application and repayment etc.
- No bounce charges will be levied for transactions during this period.
- However, the company will have provision not to present those returned cases in May 2020, if they are already returned in April 2020.
- As regards March 2020, since already the collection cycle is over, all those customers who have paid their instalment will not get any relief. Only for unpaid March 2020 and April 2020 instalments it is a deemed moratorium.
- All notifications will be made known through the official website of the company.
- The borrower shall execute all such documents, deeds, cheques, NACH Forms, etc. if any required by AVIOM.
- The Board of AVIOM may make suitable amendments to this Policy as may be required. This Policy is subject to any further directions and guidelines issued by the RBI or NHB from time to time.