

Frequently Asked Questions (FAQs)

RBI issued a policy statement on March 27, 2020 announcing certain regulatory measures to mitigate the debt-servicing burden on borrowers in view of the disruptions brought out by the current situation. As a follow up, RBI has also issued a circular DOR.No.BP.BC.47/21.04.048/2019-20, dated March 27, 2020, detailing the guidelines.

The guideline in summary gives an option to customer to avail EMI moratorium for period between 1st March 2020 and 31st May 2020. This document gives clarity regarding the moratorium benefit by answering some Frequently Asked Questions (FAQs).

1. What is the EMI moratorium facility provided for loans during the COVID 19 regulatory package?

In a moratorium, your EMIs will be deferred. This means that during the period between 1st March and 31st May 2020, no payment has to be made by the customer to SML Finance. Interest on the EMIs will keep accruing for the customer during this period and will be payable after the moratorium period.

2. Who is eligible for moratorium?

As per the policy, all customers who have taken a loan on or before 31st March 2020 from SML Finance and have due dates falling between 1st March 2020 and 31st May 2020 are eligible for moratorium. In case of clarification, please contact SML Finance representative.

3. Is moratorium a waiver of EMIs?

No, a moratorium is not waiver of EMI. Customers will need to pay the entire principal with interest back to SML Finance. Customers just have the option of not paying in during the moratorium period.

4. What is the benefit of availing the moratorium?

During this difficult period, cash flows of some customers have been affected and they might not have enough capital available to pay their EMIs. Such customers should avail this moratorium. If a customer has sufficient cash flow to meet his needs and service the EMIs also, should pay his EMI regularly to avoid the accruing interest charges.

5. Would interest be charged in the moratorium period?

Yes, interest will be charged at the contractual interest rate on extended moratorium period EMIs.

6. Is the moratorium mandatory for all customers?

No, customers who don't want to avail moratorium please reach out to SML Finance representative or branches.

7. If a customer avails moratorium, then will it impact credit score?

No, it will not impact the credit score of the customer. As per the released regulation, the rescheduling of payments will not qualify as a default in customer's credit bureau report.

8. If a customer has overdue on EMI before 1st March 2020, will that attract penal charges?

Yes. The moratorium is provided for EMIs due in the moratorium period. Any overdue for EMIs which were due before moratorium period will attract penal charges and no relaxation is given on that. However, for the EMIs due in the moratorium period, no penal charges will be charged .

9. If a customer paid his EMI in March 2020, is he still eligible for moratorium?

Yes. The customer can avail moratorium facility for April and May 2020.

10. Customer opted to pay the EMI but still his PDC/ ACH was not presented for deduction on due date. Why did that happen and what to do?

During to lockdown, SML Finance offices would be closed and hence ACH/ PDC might not have been presented. It will be done as soon as offices are open. No penal charges will be levied. Once lockdown is lifted but still PDC/ ACH is not presented, please contact SML Finance representative immediately.

11. Customer's repayment mode is Cash but nobody collected it from customer on due date. Why did this happen and what to do?

During lockdown, SML Finance offices are closed. In such a case, after lockdown is lifted, customer can visit SML Finance office or can ask the representative to come for collection.

12. Can a customer avail moratorium for multiple loans?

Yes, the customer can avail moratorium for all eligible loans.

13. How exactly will customer's repayment schedule change?

Customer's tenure of loan will get extended by the no. of months moratorium is availed. For Example: If customer takes 3 months moratorium now, then the tenure will get extended by three months. The customer will pay his regular EMI after the moratorium period till its original due date without any change in the monthly instalment .The moratorium period instalment amount together with interest be repaid by way of three equal monthly instalment during the extended period of loan .

14. If the customer wishes to make the payment in moratorium period, how can he do it?

Customers can deposit cash in bank or make online transfer to SML bank account and intimate SML representative , deposit cash after lockdown is lifted or if the repayment mode is ACH/ PDC, the same will be booked after lockdown is lifted.

15. As per RBI guideline, the moratorium period includes the month of March 2020. If a customer has already paid EMI in the month of March 2020 and he wants EMI payment of March 2020 to be refunded, can that be done?

Customers are encouraged to pay their loans on time. Moratorium will be offered for unpaid EMIs only.

16. The customer wants moratorium period for only one month while he has the option of availing it for more than one months (max. up to three months). Is that possible?

Yes

17. Will my Credit Bureau records be impacted if I apply for Moratorium?

If you are eligible and you have availed of the moratorium, your credit bureau records will not be impacted due to non-payment of EMIs during the moratorium period. This does not apply to any non-payment of EMIs that would have been reported to the credit bureau prior to 01 Mar 2020. However, that you availed the moratorium facility will get reported to Credit Bureaus.