



Consumer Loans- Moratorium Extension/ EMI Deferment Policy- 2020

Subject	Moratorium Extension (Moratorium – II)
Background	<p>Pursuant to the Moratorium notification by RBI on 27th March, 2020 (“Moratorium – I”) all financial / lending institutions were permitted to give moratorium of up to three months (from 1st March 2020 to 30th May 2020) to customers for all loans outstanding as on 1st March 2020. In view of the continued disruption due to COVID-19, RBI issued another circular dated 23rd May 2020 (“Moratorium – II”), permitting all financial / lending institutions to extend the moratorium by another three months (from 1st June 2020 to 31st August 2020) to customers</p> <p>To further provide relief to our needy customers, DMI (“we, our”) have amended the existing Moratorium-I policy to provide for extension of three months. The details of our revised policy guidelines are as below:</p>
Policy/ Process	<p>1. Strategy</p> <p>The Moratorium - II will work through following changes in the existing loan account of borrower:</p> <ol style="list-style-type: none"> a. Extension of payment of unpaid installments falling due between 1st June 2020 till 31st August 2020 and defer the due date(s) of all installments payable by borrower till 3 months b. Tenure of the loan availed by borrower will also increase up to three months c. Interest shall continue to accrue on the outstanding loan amount during the moratorium period and borrower shall be liable to pay the same as per the revised payment schedule. <p>2. Screening Criteria</p> <p>Customers satisfying following criteria will be eligible for moratorium on loan:</p> <ol style="list-style-type: none"> 1. Any loan disbursed before 1st Mar 2020 with EMI’s falling from June 2020 to August 2020 is eligible for the Moratorium - II. 2. Account must not have been Written-off or Settled 3. Account Status to be Current or Delinquent (Matured/ Cancelled/ Closed/ Written-off cases to be excluded) <p>3. Process</p> <ol style="list-style-type: none"> 1. Customers who had availed Moratorium – I will also be eligible for Moratorium - II for the three months extended period (1st June 2020 to 31st August 2020) 2. Customers, who had not availed or who did not respond to DMI’s intimations during Moratorium – I, will be not be automatically enrolled for Moratorium – II. For such customers, normal course of EMI presentation will continue. In case the customer reaches to DMI or its partners with specific request for Moratorium - II, then on case specific merits we will consider such request and take decision to accept or decline such request for extension.



	<p>3. If any Customer, who was been provided benefits under either Moratorium – I or Moratorium – II, pays during the moratorium period, such payments will be treated towards his pending EMI/s and appropriate adjustments will be done to reflect in his/her loan repayment schedule</p> <p>4. Write-off Policy</p> <p>As per RBI guidelines, since the moratorium/ deferment of loans is being provided specifically to enable the borrowers to tide over economic fallout from COVID-19, the same will not be treated as change in terms and conditions of loan agreement due to financial difficulty of the borrower. Hence, such a measure, in itself, shall not result in asset classification deterioration.</p> <p>5. MIS, Tracking & Reporting</p> <ol style="list-style-type: none"> 1. The Moratorium portfolio will be tracked separately by bucket, covering number of Loans and the Outstanding Balances. 2. Delinquency and NPA% will be tracked by vintage across Months on Books after Moratorium is granted. 3. The rescheduling of payments, including interest / fee on Moratorium will not qualify as a default and will be reported to Credit Information Companies (CICs) accordingly.
Applicability	Unsecured Consumer Loans, Personal Loan, MSME Loan
Proposed Implementation Date	June'2020