



Muthoot Homefin

Information for Customer on reporting of overdue accounts

Dear Customer,

Following guidelines have been issued by RBI in respect of classification of your Loan Account.

- 1. Standard (Regular):** If you pay all your Interest & EMIs on due date your account will be treated as standard and regular. Your loan account is desired to be standard and regular all the time during the loan period.
- 2. Overdue:** If EMI/Interest is not paid on due date then the Loan shall become Overdue.
- 3. Days Past Due (DPD) calculations:** The day from which the account becomes overdue the days past due is calculated basis the due date of the customer.

Example: If due date of a loan account is March 31, 2021, and full dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

- 4. One account overdue all accounts overdue:** If the customer has more than one loan account and if one account becomes overdue than all the other accounts of the customer becomes overdue & will be reported under the same DPD and Asset classification.
- 5. Overdue assets classification:** Once the account becomes overdue than it shall be classified as per below DPD in which the Loan falls.

Overdue asset Classification	Loan Category	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between
Standard Assets	SMA-0	1-30 days
Standard Assets	SMA-1	31-60 days
Standard Assets	SMA-2	61-90 days
Sub-Standard Assets	NPA	DPD Above 90 days & in NPA for <=12 months
Doubtful Assets	NPA	DPD Above 90 days & in NPA for >12 months
Loss Assets	NPA	Above 90 days & in NPA for >12 months (loss has been identified by the company or internal or external auditors or the RBI inspection but the amount has not been written off wholly)

- 6. Effect on Credit Scores of customers:** Once the account becomes overdue the company shall report the same to credit bureaus on all such instances of loan defaults your credit score fall due to such reports, consequently your chance of getting loan from the formal financial system may be adversely impacted.
- 7. Upgradation of loan accounts classified as NPAs:** The accounts which are declared as NPA Accounts can be upgraded to Standard Account only If the overdues are paid by the customer.

IT ALWAYS MAKES SENSE TO KEPP YOUR ACCOUNT REGULAR AND STANDARD