



Frequently asked questions on Moratorium

These are unprecedented times and it is a time that we need to be together to fight this COVID-19 crisis.

In line with the RBI guidelines and to show our solidarity in standing with you, Muthoot Homefin is offering its customers EMI moratorium as a relief measure. We understand in this current situation there may be disruptions in business leading to low cash flows or the earnings of individuals and self-employed professionals may have been impacted. Our aim through implementing this relief package is to ensure that you can continue to take care of your family, your business and your own self and tide over this temporary situation. We advise you to stay safe and healthy

Do check below on details of the EMI moratorium package and also guidance on how you can avail the EMI moratorium.

1. What is the EMI moratorium provided for loans under COVID 19 - regulatory package?

A moratorium is an extension, not a waiver. It is only postponement of payment for due for the month of March 2020 to May 2020. However, the interest which is accrued for the moratorium period shall become payable after the end of moratorium period, by way of increase in EMI and tenure of the loan. The prevailing situation may pose a huge challenge for people at large. As a measure of solidarity, RBI has permitted all Indian Banks / Indian Financial Institutions to offer its customers up to 3 months moratorium on their EMI payments.

2. Will opting for moratorium give relaxation of free EMI period?

The idea of a moratorium is not to give you an interest free period but instead it is to help you to overcome cash flow crunch for the period of 3 months.

3. Has the RBI granted a compulsory moratorium? Will Muthoot Homefin (India) grant moratorium to all loan customers by default?

No, it is not compulsory. Customers wanting to avail of moratorium will need to specifically request /apply for the same.

4. Who is eligible?

All customers who have availed home Loans prior to 1st March 2020 are eligible. However customer need to establish that his/ her income is getting affected due to current lockdown.

5. What happens if an loan account is in overdues prior to March 01, 2020?

a. As per RBI guidelines released, Banks and HFC's are permitted to extend moratorium only for instalments of loan which are due between 1st March 2020 to 31st May 2020. There can be no moratorium on overdues prior to 1st March 2020.

b. Hence in case you have any overdue instalments and/ or other dues pertaining to the loan repayment prior to 1st March 2020, we request you to kindly pay such overdue instalments/ other amount overdue immediately, to avoid normal penal charges and to avoid reporting to bureau. This will not lead to any change in the terms and conditions of the loan with Muthoot Homefin (India) Limited.

6. Will the interests accrue during the moratorium period?

Yes, the moratorium is a “deferment” however, the interest will definitely accrue. The accrual will not stop.

7. How will be the treatment of interest in the loan account?

Interest accrued during the moratorium period will be added to the outstanding portion of the loans account.

8. What will happen if I request for the EMI Moratorium?

If you request for EMI moratorium and upon MHIL granting the moratorium :

- MHIL will not ask for any EMI Payment till May 31st 2020.
- Interest will continue to accrue on the principal outstanding for the period of the moratorium at the contracted rate of the loan. This will lead to either or both of the below outcomes:
 1. The loan tenure will get extended by the corresponding period for which the moratorium has been availed. *For example, if the EMI for the month of Mar’2020 has been paid and moratorium for April & May’2020 has been availed, then the loan tenure will be extended by 2 months.*
 2. The remaining EMIs of the loan will be increased to account for the accrued interest during the moratorium period.

9. If I do not want the EMI moratorium, what should I do?

If you do not want the EMI moratorium, no further action is required from your side. We will continue to bank your repayment instructions.

We encourage customers with adequate funds to continue paying during this period to avoid the extra interest charges and tenor extension.

10. What will happen after the relief period /moratorium is completed?

Customer will be required to start paying revised EMI from June 2020 onwards.

11. Why was my account debited when the RBI has announced a moratorium?

Requesting for the Moratorium is entirely the customers’ choice. We understand that all our customers may not opt for the Moratorium given that there is an additional levy of interest payable under the terms of the Moratorium. Additionally, those customers that cannot adequately establish the fact that their cash flows have been affected by the Covid-19 Lockdown, MHIL reserves the right to not grant EMI moratorium to those customers.

12. What charges will I pay, if I avail of this EMI moratorium?

If you avail the EMI moratorium, there will be a levy of interest at the contracted rate of the loan for the period of EMI moratorium on the loan outstanding. The repayment schedule for such loans as also the residual tenor will be shifted across the board by period of three months after the moratorium period and EMI’s will be increased to give impact for the interest accrued during the Moratorium Period.

13. Till when can I apply for Moratorium?

Moratorium can be applied any time between Mar 1st, 2020 to May 31st, 2020, however it’s subject to approval from MHIL team on analysis of income loss.

14. Will any extra charges be applied for moratorium?

For all loan accounts for which moratorium requests are approved by MHIL no extra charges like penal or bounce will be charged for the moratorium period.

15. How do I get this EMI moratorium?

You will have to provide your consent to MHIL through any of the following ways:

- MHIL website
- Write to us on moratorium@muthoothomefin.com

Upon receipt of your request, Muthoot Homefin Representative shall contact you on the subject.

16. What if I have already paid my EMIs and would like to avail the moratorium till 31st May 2020.

You can avail of the moratorium benefits for the unpaid EMIs. Please follow the process given above for availing the moratorium

17. Does the moratorium affect my Credit Rating?

No. Opting for the EMI moratorium will not affect your Credit Rating or Score.

18. Will the moratorium increase my EMI?

Yes moratorium will definitely increase your EMI due to interest accrued during moratorium period. Below are few examples of how the EMI will get increased.

Particulars	Example1	Example2	Example3	Example4	Example5
Sanction Amount	1000000	1000000	1000000	1000000	1000000
Original Tenure	240	240	240	240	240
ROI	10.50%	12.50%	14.50%	14.50%	14.50%
Moratorium months	3	3	3	3	2
Current EMI	9984	11361	12800	12800	12800
Balance Tenure	228	228	228	216	216
Loan O/s as on Feb'20 end	984500	987950	990800	980200	980200
Int for 1 month	8614	10291	11972	11844	11844
Int for moratorium period	25842	30873	35916	35532	23688
O/S loan after moratorium	1010342	1018823	1026716	1015732	1003888
New EMI	10246	11716	13264	13264	13110
Increase in EMI	262	355	464	464	310
Increase in Tenure in months	3	3	3	3	2
%Increase in EMI	2.62%	3.12%	3.63%	3.63%	2.42%

19. Does the moratorium require me to give a fresh NACH mandate?

No. Moratorium does not require a fresh NACH mandate.

20. Is it ok if I continue paying the EMIs rather than availing of the moratorium?

Moratorium is by request and donot apply directly. If you do not wish to avail moratorium, you may continue to pay your EMIs.

21. If I have not opted for (or not been granted) moratorium, whether MHIL will debit interest and instalment during this period?

Yes, in case you have not opted for the moratorium or if MHIL has not granted you the moratorium, MHIL will continue to debit interest and EMIs during this period.