

FAQ on Restructuring of Retail Loans under Resolution Plan 2.0

1. What is the purpose of this Resolution Framework?

The purpose of this Framework is to provide relief to individuals whose operations have been adversely affected by the Covid-19 pandemic and their debt burden becoming disproportionate relative to their cash flow generation abilities. These borrowers should not have availed benefit of restructuring under Resolution Plan 1.0

2. Who is eligible for restructuring under the framework?

All retail loan customers of bank whose income(s) have been affected on account of COVID whose accounts are in standard category as on 31.03.2021.

3. Is it mandatory for the borrower to avail the resolution plan?

No, it is not mandatory for the borrower to avail the benefit but purely optional.

4. Will opting for the restructuring package have an impact on my credit bureau report?

As per regulatory guidelines, your loan/credit facility will be reported to the credit bureau as “Restructured due to COVID-19”. Please note that as per regulatory guidelines, restructuring has to be reported at a borrower level to the credit bureau and hence all the facilities/loans of the borrower with the bank will be classified and reported as “Restructured” even if the borrower has taken restructuring for only one loan.

5. Do I need to give consent even if I don't wish to avail the benefit of this scheme?

No, action required in that case. However, if contacted digitally, i.e., through SMS/WhatsApp, opt out option is available to customers.

6. Will my loan EMI remain the same or get increased?

The EMI may differ from the present one depending upon the rescheduling period and repayment schedule proposed.

7. Who are eligible to avail the loan under the resolution plan?

Customers who have availed a Vehicle Loan from Ford Credit India Pvt. Ltd. and the loan has not matured yet. Please note that loans with existing maturity date later than 31.12.2024 will not be eligible under this restructuring plan.

8. Do I need to prove that the income is affected?

Yes, customer needs to submit documents proofs regarding decline in income and the cash flows for future repayments.

9. What all documents does the customer need to submit, if he has been affected by COVID related stress and needs loan restructuring?

Relief and resolution by way restructuring under this policy shall be based on “opt in” by the borrower that is to say; the reliefs under this policy will be available only upon borrowers specific request and upon submission of application with suitable declaration and other documents (as listed below) including confirmation that his income and cash flows are under strain due to COVID related stress:

- KYC Documents – Copy of Aadhar Card / Voter ID / PAN Card
- Income Proof – Copy of Latest Income Tax Return / Salary Statement / Salary Slip / Form 16
- Bank Statements – Copy of Last 3 months
- Photograph
- Latest Income Statement or Deposit Evidence - Copy of Fixed deposit (if any)
- Copy of Vehicle Registration Certificate and Valid Insurance

10. What is the maximum permissible extension of residual repayment period?

Maximum extension of the residual tenor of the loan by a period not more than one year on case-to-case basis with justification.

11. Is rescheduling of term loans only for principal or it also includes interest?

The resolution plans may inter alia include rescheduling of payments, conversion of any interest accrued, or to be accrued, into another credit facility, or, granting of moratorium, based on an assessment of income streams of the borrower, subject to a maximum of one year.

12. What is last date (cutoff) date for implementation of Resolution plan?

Cut-off date for implementation of Resolution plan is 30.09.2021.

13. What is date of Invocation?

The resolution plan if invoked shall be implemented within 90 days of date of invocation.

14. **What will be the reference date for the outstanding amount that may be considered for resolution?**

The reference date for the outstanding amount of debt that may be considered for resolution shall be 31.03.2021.

15. **Whether separate application form is required from the borrower?**

Yes, Application in the prescribed format (having undertaking that they have been affected by COVID-19) along with documentary proof to be obtained from the borrower. Restructuring exercise may be carried out on the basis of Acceptance of Letter & terms and conditions, wherever only reschedulement/ granting of moratorium is proposed in Resolution plan. However, if additional funding, conversion in any other credit facility, relaxations in Overdraft facility etc. is involved, all related documents are to be provided / creation of security charge / perfection of securities to be completed within 90 days of invocation of the plan. (Application in the prescribed format having undertaking that they have been affected by COVID-19 along with documentary proof to be obtained from the borrower.)

16. **Whether separate agreement is required to be executed by the borrower?**

Yes, a separate agreement needs to be executed from the borrower.

17. **Whether separate processing/service charge to be charged from the borrower?**

No additional processing/service charge is to be charged from the borrower.

18. **Whether any additional Rate of interest is to be charged from the borrower?**

No additional interest to be levied for loans sanctioned and the current ROI for the remaining tenure of the loan (till closure of loan account) will be charged.

19. **Whether customer who has availed the facility under the said framework can pre-pay the loan?**

Customers have the option to pre-pay the loan.

20. **Is there any pre-payment penalty under the said framework?**

Standard pre-payment penalty charges will be applicable, as mentioned in the original loan agreement.

21. Where the customer can submit his/her application for availing the facility?

Customers shall have the option to apply for relief under the package by sending an email to fcireach@ford.com along with scanned copies of the application form and all requested documents.