

POLICY STATEMENT/DISCLAIMER
**(ON DEBT RESTRUCTURING OF STRESSED ASSETS – RESOLUTION
FRAMEWORK FOR COVID-19 RELATED STRESS, 2020)**

(Approved by the Board in its meeting held on 28.10.2020)

Under the scheme of 'Resolution Framework for COVID-19-related Stress' evolved by the Reserve Bank of India (RBI) vide its letter No. RBI/2020-21-16/DOR.No.BP.BC/3/21.04.048/2020-21 dated 06.08.2020, the Board has approved in its Meeting held on 28.10.2020, the following policy to facilitate the Borrowers:

- Borrowers will be offered a simple option to opt for two years (24 months) of loan moratorium
- Borrowers who avail themselves of debt restructuring will be charged additional interest of 0.5% more than other borrowers.

The loanes/borrowers are eligible whose loan accounts were classified as 'standard' and not default for equal to or more than 30 days as on 1st March, 2020 and their incomes are impacted by Covid-19. Further, the accounts should continue to remain 'standard' till the date of invocation of Resolution request as per RBI Resolution Framework.

- Mere applying and getting acknowledgement, shall not constitute "Invocation" as described by RBI for this purpose.
- The eligibility criteria as per information hosted in the site is provisional. Final decision will be taken by the Authorised Committee and the BOARD OF THE BANK.

- Invocation will be construed upon signing of Inter-Creditor Agreements (ICA) after sanction of restructuring facility, subject to the eligibility of borrower for restructuring, as per RBI directives.
- This restructuring facility is open till 31.12.2020, However, the last date of invocation is also 30.11.2020. As such, the borrower(s) shall approach the nearest branch for completing the "Restructuring Formalities" **latest by 30.11.2020.**
- Eligible Borrower can apply for debt restructuring through email ho@bcbbank.co or may visit nearest Branch or Head Office of the Bank to apply for restructuring.
- The scheme will be governed by guidelines of RBI.

Here are the Frequently Asked Question (FAQs) for easy reference and understanding:

1. What is the purpose of this Resolution Framework(RF)?

The purpose of this Framework is to provide relief to borrowers affected by the Covid-19 pandemic.

2. How do I know that I am eligible for Resolution under this framework?

A borrower will be considered as affected by Covid-19 pandemic, if any of the following conditions are fulfilled:

- a) Your salary/income in Aug 2020 has got reduced when compared to Feb 2020
- b) Reduction/suspension in salary during lockdown period
- c) Job Loss/closure of business

- d) Closure during lockdown/reduced activity of units/shops/business establishments in case of self-employed/professionals/businessmen.

3. Which are the Loans covered under this Framework?

The following loans are covered under the Framework:

- a) Housing and other related Loans
- b) Education Loans
- c) Vehicle Loans (other than loans for commercial use)
- d) Personal Loans/Gold Loans etc.,

4. Are all the Loans under above categories eligible?

No. To be eligible under the Framework, the following eligibility conditions need to be fulfilled:

- a) Your loan should be a "Standard Account" as on the date of application for relief under this framework and should have been 'standard' and also not in default for more than 30 days as on 01.03.2020.
- b) You should have been affected by Covid-19 pandemic and fulfil any of the conditions stated in FAQ No.2 above.

5. Am I eligible if I have taken a loan after 1st March, 2020 but affected by Covid-19 pandemic?

No, only those accounts that existed in Banks books on 01.03.2020, are eligible for consideration under this Framework.

6. My present income is not affected, but I foresee an income loss in future. Whether I am eligible for restructuring based on future lower income?

No.

7. How to apply for relief under above Framework?

The Loanees may choose to opt for the COVID-19 stress related Schemes through any one of the following:

- a) email your application to : ho@bcbbank.co or
- b) Call us on # 080 266333566/26632783. You can access our website (www.bcbbank.co) for policy details and information.
- c) Alternatively, you can also visit the Branch where your account is maintained and submit your application.

8. What are the documents to be submitted while applying?

Copies of the following documents need to be submitted (uploaded, if you are using e-mail) along with the application form at the nearest Branch.

(a) For salaried borrowers –

- (i) Net Salary Certificate for the month of Feb 2020 and current/ latest salary slips are required
- (ii) Letter of discharge from Job (in case of job loss)
- (iii) A declaration of estimated salary/income immediately after the end of the desired moratorium period (Maximum 24 months).
- (iv) Bank statements of the account where salary is credited in case of salaried employees

(b) For self-employed/businessmen borrowers/entities –

- (i) Audited Income or profit and loss statement, GST returns, Income tax returns, etc. to be furnished with Chartered Accountant certified signature.
- (ii) Statement of Operating Account in case of businessmen/self-employed/professionals for the period Feb 2020 till 15 days prior to submission of application.

- (iii) Declaration stating that their business is affected by Covid-19.

9. Upto what date can I apply for relief under the Framework?

The last date to apply for relief under the Framework is 30.11.2020.

10. What are the relief/relaxations available under the Framework?

The following relief/relaxations will be sanctioned under the Framework subject to compliance of bank norms:

- a) Moratorium of upto a maximum of 24 months.
- b) Rescheduling of instalments and extension of tenure by a period equivalent to the moratorium granted subject to a maximum of 2 years or till the primary borrower attains 70 years of age, whichever is earlier.

11. What is moratorium?

During the moratorium period, you don't have to pay EMIs on the loan.

12. Whether Interest will be applied during Moratorium?

Yes.

13. Whether moratorium mentioned above will be in addition to the moratorium already granted by the Bank earlier on account of Covid-19 related stress?

Yes, the moratorium sanctioned under this Framework will be in addition to the moratorium granted by the Bank earlier.

14. If I have surplus cash during Moratorium, whether I can pay EMIs during moratorium?

Yes, it is up to you. This will help in reducing your interest amount.

15. What is the maximum age upto which the tenor of the loan can be extended?

This is a product specific. For example, in case of home loan, the tenure of the loan can be extended upto a maximum of 24 months or till the primary borrower attains 70 years of age, whichever is earlier.

16. Whether there will be any change in EMI?

Yes. On account of moratorium granted, the tenure of your loan will be extended by the period of moratorium and the EMI payable after the moratorium will be recalculated and advised to you.

17. Will there be any change in pricing of my loan?

Yes, you will be required to pay additional interest of 0.5% p.a over and above your current pricing for the remaining tenure of the loan, in order to offset partial cost of additional provisions required to be made by the Bank.

18. Whether I would be eligible for additional loan facilities under the Framework?

No.

19. Can I apply for relief under this Framework for more than one account?

Yes, you may apply for relief under this Framework in more than one account.

20. One of my loan accounts at the Bharat Co-operative Bank Ltd is irregular for more than 30 days as on 01.03.2020. Can I opt for relief under this Framework for other loan account which was standard and met the eligibility criteria as per Clause-4 above?

Yes, such accounts that meets the eligibility criteria would be eligible for relief under this Framework.

21. Shall I be rendered ineligible for any other loan(s) during the period of moratorium granted under the Framework?

No. However, your eligibility for any other loan will depend on the prescribed eligibility norms for the respective loan scheme of the bank as applicable from time to time.

22. Whether eligibility as reflected in portal is to be considered as sanction by bank for restructuring of my loan?

No. The portal will reflect "provisional eligibility". Your branch may request you to submit any other documents depending on requirement or for clarity etc. The decision conveyed by Head Office of the BCB or in your nearest branch will be final in so far as your eligibility for being considered for relief under this framework.

23. How many days will the Bank take to process the request?

Normally, the Bank will endeavour to process your application within 10-14 working days of your submitting the application.

24. Will I be required to pay any processing fee for the relief being extended?

Yes. As per Clause-17

25. What documents do I need to execute after sanction of relief under this Framework?

You will be issued an Arrangement Letter (in duplicate) stating the details of relief sanctioned to you under the Framework and other terms and conditions. You will have to return the duplicate copy duly signed by all the signatories to the loan and also guarantors (if any) in token of having accepted the terms and conditions contained therein within 10 days.

Then, as per regulatory and legal requirements you need to sign on any changes in the loan structure by executing necessary Inter-Creditor agreement (ICA), if any.

26. Can a borrower demand restructuring his/her account under RF?

No borrower can demand restructuring as a matter of right. The restructuring is to be viable and should be as per the policy of the Bank.

27. Will Opting for restructuring package have an impact on Credit Bureau report?

As per regulatory guideline, borrower's loan would be reported to credit bureau as 'restructured'.

28. My loan was taken along with the co-borrowers, will all the co-borrowers of the original loan have to sign the agreements be required to sign the revised restructuring of the agreement?

Yes, as per legal requirements, all co-borrowers of the original loan need to agree and sign on any changes in the loan restructure including the ICA.

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