

Magma Housing Finance Limited | FAQs on Moratorium

1. What is the recent regulation released by the RBI on moratorium to address the financial stress caused by COVID-19?

As per recent statement issued by RBI through press release dated 27th March, 2020, various developmental and regulatory policies have been announced that directly address the stress in financial conditions caused by COVID – 19.

Accordingly, RBI has permitted Lenders to grant a moratorium on payment of Loan instalments falling due between March 1, 2020 and May 31, 2020. Moratorium is a temporary postponement of payment of interest / principal / instalments. However, interest on the Loan outstanding will keep getting levied for the deferred or moratorium period.

2. What kind of loans come under Moratorium benefit?

All loans offered by Magma Housing Finance fall under term loans and hence eligible for Moratorium.

3. Will the moratorium cover both my principal and interest component?

Yes, it applies on both Principal and Interest.

4. Are you going to waive off my EMI for Mar-20 to May-20?

Please note that this is only a **deferral** of your EMI and not a **waiver**. The interest will be levied during the moratorium period and will get added to the Principal outstanding. The same will be collected as per the revised repayment schedule.

5. What is the process to be followed for getting the benefit of instalment moratorium?

You will receive intimation regarding Moratorium via SMS. In case you wish to opt for Moratorium, please write to us at customercare@magmahfc.co.in along with your Loan account number and latest contact details. You will receive a call from our representative before application of Moratorium.

Please note that availing Moratorium will attract additional interest over the period of the loan and will be collected by way of increased EMI or Tenure. Hence, if your repayment capacity is not impacted, we encourage you to continue making repayment as per existing schedule.

6. Do I need to submit any document to avail the benefit of Moratorium?

We do not envisage submission of any physical document for availing moratorium. You will receive a call from our representative once you send us an email as explained above. You can discuss your specific queries with our representative. We encourage you to read the Company's policy on moratorium at www.magma.co.in. Once you opt-in and the Company grants you moratorium, it would be deemed that you have read and understood the Company's policy on moratorium.

7. What will happen to my loan in case I wish to avail Moratorium?

Interest shall continue to accrue on the outstanding portion of the loan during the moratorium period. Such accrued interest shall be capitalized, and a revised repayment schedule would be generated. As a result of this the EMI and / or balance tenure may get revised.

8. Once Moratorium is over, do I have to pay all 3 EMI's at one go?

Borrower is required to pay the EMIs as per the revised repayment schedule and it is not compulsory for him to pay all the 3 EMIs in June 20.

9. My financial position is not impacted and hence I do not intend to avail moratorium and want to continue to make the EMI Payment as in the past. Can I do so?

If your financial position is not impacted or you do not want to pay additional interest please continue with the repayment as per existing terms. Your EMI payment instrument will be presented as per schedule. We encourage customers with adequate funds to continue paying during this period to avoid the extra interest charges and tenor extension.

10. Will there be an impact on my CIBIL score due to non-payment of EMI?

There will be no adverse impact on your credit history on non-payment of EMI during moratorium period (March to May 20).

However if there was any overdue before 1st March 2020, then the same will continue to reflect in CIBIL in the same time bucket. Hence request you to clear your over dues at the earliest.

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

After the relief period is over, the accrued interest will be added to the principal outstanding and 3 months moratorium period will be added to your balance loan term. Revised repayment schedule will be generated. This may entail increase in your EMI.

Illustration below explains the impact:

Loan amount	Rate of interest	Existing terms		Revised terms	
		Existing EMI	Existing Tenor	Revised EMI	Revised Tenor
Rs 11.85 lacs	12.80%	Rs 14,222/-	204 months	Rs 14,665/-	207 months

Additional Interest amount to be paid with Moratorium option: Rs 1, 94,351/-

12. What will happen to my existing pre-scheduled ACH/ECS/Standing instructions/PDCs of my loan account if I avail moratorium? Do I need to re-submit ACH/PDCs for the extension period?

If your EMI gets modified and is not already covered vide your existing ACH/ ECS/ /Standing Instructions/ PDCs, you may need to submit them afresh. In case the same is required, our representative will get in touch with you.

13. How will I come to know whether Moratorium benefits are given to me?

You will be provided a confirmation through various modes like SMS/Email and a revised repayment schedule will be shared with you.

14. I have multiple loans with Magma. Will I get benefits for all my loans?

Yes, the Moratorium policy is applicable for all loans.

15. Will there be any charges on OD Interest & cheque bounce charges on my account during these 3 months?

Please note that overdue interest is charged in case of default in payment. However, during the moratorium, the payment itself is contractually stopped. If there is no payment due, there is no question of a default. Therefore, there will be no overdue interest or delayed payment charges to be levied. If there is any outstanding EMI as on 1st March, then ODI shall continue to accrue on it & we encourage customers to clear over dues.

Note: ODI charge for EMIs defaulted prior to March 20 will continue to be levied.

We won't levy cheque bounce charge during the Moratorium period (March to May 20)

16. What happens if I submit the moratorium request after the EMI for the month of April 2020/ May 2020 is already deducted?

In case your loan EMIs due in April 2020 / May 2020 are paid then the EMIs collected will be applied to your loan and hence Moratorium will not be applicable.

17. Will you be charged a higher interest rate if you take this extension?

No. Interest rate for these Moratorium changes remain unchanged.

18. RBI has reduced the Repo rate. How much ROI Magma will reduce?

Repo rate is applicable to Banks, not to HFCs. As and when Magma will change/ reduce its PLR, same will be applied to Customer's loan account.

19. Will the terms and condition of loan agreement change if one opts for moratorium?

No. The terms and conditions of loan agreement will not change other than the repayment schedule.

20. Should customer pay the EMI if any Magma staff or its Collection executive approach for repayment?

Yes, you can always make the payment to authorized Magma staff or Collection executive.

21. Can I avail moratorium for April and May month or only for May month, if I have not opted for same for March or March & April months respectively?

Yes, you can opt Moratorium for one or two months.