

Hero Housing Finance Ltd

ADDENDUM

TO

Policy on relief to borrowers under COVID-19 scenario

Hero Housing Finance Ltd ("HHFL")

Addendum to Policy on relief to borrowers under COVID-19 scenario

Effective date: 30th May, 2020

With reference to extension of Moratorium period as part of providing further relief to borrowers under COVID-19 scenario, as prescribed by Reserve Bank of India (RBI) through press conference held on May 22, 2020, the existing Moratorium Policy of the Company dated March 31, 2020 and approved by the Board of Directors on April 7th, 2020, annexed herewith is the First Addendum covering below mentioned changes / additional clauses.

This Addendum forms integral part of the original Moratorium policy dated March 31, 2020 and clauses as captured into this Addendum shall override the provisions/ clauses as under original policy to the event of changes as done into the Addendum.

Policy on "Relief to Borrowers under COVID-19 scenario" was approved by the Board of Directors on 7th April 2020 in line with Notification RBI/2019-20/186; DOR.No.BP.BC.47/21.04.048/2019-20 titled "COVID-19 – Regulatory Package" issued by the Reserve Bank of India (RBI) on 27 March 2020. The Notification lays down the measures that may be made available to the borrowers to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic. RBI allowed Banks/NBFCs/HFCs to offer three months moratorium to the borrowers in payment of instalments falling due between 1st March 2020 and 31st May 2020.

In view of the deteriorating situation due to COVID-19, the RBI through press conference held on 22nd May 2020 allowed Banks/NBFCs/HFCs to offer moratorium to borrowers for an extended period of three months i.e. 1st June 2020 to 31st August 2020.

In light of RBI's revised guidelines, this issue was discussed in the Board Meeting held on 22nd May 2020 and it was decided to extend the relief to borrowers for a further period of three more months i.e. from 1st June 2020 to 31st August 2020. All the policy norms of the Relief to borrowers under COVID-19 policy of HHFL would now be applicable for 6 months instead of the 3 months as specified earlier i.e. the policy shall be operative for the period starting from 1st March 2020 to 31st August 2020.

In order to avail the moratorium from Jun'20 to Aug'20 customer need to apply afresh (even if one has availed the previous moratorium which ended on May 31st 2020).

Further it was discussed that the effect of the moratorium will be given by extending the tenor of the loan unless otherwise requested for by the borrower in writing or on recorded line. Where the borrower does not wish to extend the tenor of the loan, the borrower's EMI amount will be revised.

Where extension of tenor as a result of moratorium leads to negative amortization, the EMI would be increased.

There may be a situation wherein tenor can increase beyond the defined tenor in the respective product in Master Credit Policy.

All other norms of the existing policy on Relief to borrowers under COVID-19 policy will remain the same.

In case the RBI allows extension of moratorium for instalments falling due after 31st August 2020, the revised policy can be jointly approved by the CEO and CRO incorporating the extension of such moratorium and suitable guidelines to that effect may be issued.

This Addendum will be hosted on the company's website at www.herohousingfinance.com for our borrowers' information and benefit as mentioned in the RBI's circular.

The policy may be updated by HHFL from time to time within the framework of regulatory guidelines as issued by RBI and HHFL retains the right to determine and consider each application in terms of this policy based on facts and circumstances which may be unique to a particular application/account.

Note :- Changes (addition/deletion/modification) are highlighted in italics for ready reference.

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