

Frequently Asked Questions (FAQs) COVID 19 Ex- Gratia payment for difference in interest

Q1: What is the ex gratia payment to the borrower under the scheme announced by the Government?

A: The bank/ lending institution will credit to the borrower's loan account the amount equal to the difference over simple and compounded interest for the Six Months period (01.01.2020 to 31.08.2020) or till the date of loan closure.

Q2: Who is eligible for the Ex-Gratia Payment?

A: Following are the eligibility criterias for the Ex-Gratia payment:

1. Applicable to standard loan accounts live on the books of the lending institutions as on 29th Feb 2020
2. Borrowers with sanction limits and outstanding (aggregate of all facilities with all lending institutions) not exceeding Rs. 2 Cr as on 29th Feb 2020
3. Relief is applicable on following segments: MSME Loans, Education Loans, Credit Cards, Automobile loans, Personal Loans to professionals, Consumptions loans (like Home Loans, Etc.) and Consumer durable loans.

Q3: What period has been considered for the refund of interest rate differential?

A: The period considered for refund is EMIs falling due between 1st March 2020 to 31st Aug 2020 i.e (01.01.2020 to 31.08.2020) or till the date of loan closure.

Q4: Do I have to apply for the relief?

A: No. The relief will be credited to the eligible accounts without any application requirement but will be subject to the finalization & processing of Refund by the SBI/Government of India/Regulators.

Q5: If my account is closed, will I still get the relief?

A: Yes. Eligible loans which were live as on 29th Feb 2020 will get the relief even if the account was closed between 1st March 2020 AND 31ST August 2020. We request you to write to our customer.care@herohfl.com or call our customer care on 1800-212-8800 and share your account details for the payment to be made

Q6. Are NPA accounts eligible for the relief?

A: No, the relief is applicable on accounts which were Standard as on 29th Feb 2020.

Q7: I have been regular with my payments and did not avail any Moratorium, will I still get the relief.

A: Yes. The package will be available for the eligible borrowers irrespective of whether they have availed or partially availed or not availed the moratorium on repayment announced

by RBI vide DOR. No. BP.BC.47/21.04.048/2019-20 dated 27.03.2020 and extended on 23.05.2020.

Q8: Are partly disbursed loan covered under the scheme?

A: Yes, provided the sanctioned amount and outstanding amount (aggregated for all lending institutions excluding amount of guarantee) does not exceed Rs. 2 Cr as on 29th Feb 2020.

Q9: Which Rate of Interest will be considered for calculating the amount?

A: For Home Loans, Personal Loans to professionals, Education Loans and Consumption loans, the rate of interest considered for the calculation will be the contracted rate as on 29th Feb 2020.

Q10. What will be the treatment of penal interest / penalties while arriving at the rate of interest?

A: The contracted rate / interest rate prevailing as on 29.02.2020 which is considered for calculating the interest differential will exclude any penalties or any penal rate of interest applied in the account.

For more details write to us on customer.care@hero.com or call us at 1800-212-8800