

POLICY ON MORATORIUM TO BORROWERS DUE TO FINANCIAL STRESS CAUSED BY COVID-19 – June – Aug' 2020

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1. Background and Objectives

The coronavirus (COVID-19) has impacted almost 200 countries in the world and has resulted in severe stress on the country's economy. We understand that many of our customers' cash flow and earning might have been impacted due to the extended lockdown and restricted movements of goods, people and other resources.

Considering this issue, RBI vide circulars issued on March 27, 2020, April 17, 2020 and May 23, 2020, has permitted all lending institutions including NBFCs to grant a moratorium period to mitigate the burden of debt and hence ensure viability of businesses.

Accordingly, Epimoney Private Limited (hereinafter referred to as "the company" or "Epimoney" or "FlexiLoans"), being a Non-Banking Finance Company registered with the RBI, has framed the following policy to propose an extension of moratorium relief to customers from 1st June, 2020 to 31st August, 2020.

2. Eligibility for moratorium

The moratorium will be granted to customers one month at a time. Customers who want to avail the moratorium facility need to fulfill the following criteria:

- a) Customer should have availed a term loan or a working capital facility from Epimoney and the loan must be standard on the books of the company as on 1st June, 2020;
- b) Customer should have a regular amount outstanding in the loan account as on 1st June, 2020;
- c) Customer has to apply for moratorium by:
 - Emailing us on covid19emi@flexiloans.com through their registered email id;
 - or
 - Fill the form on <https://flexiloansofficial.typeform.com/to/ABPRQc>

Each application will be evaluated and moratorium will be granted at the sole discretion of the company. Our executives will evaluate the loan profile and contact the customers if they are eligible for the moratorium relief.

3. Moratorium period and deferment of installments

- a) Customer with term loans/working capital facilities outstanding as on 1st June, 2020, will be eligible for a moratorium. The moratorium will be granted on a monthly basis.
- b) The company has securitized/assigned its loan receivables to SPVs/Banks/Institutions and the company has been appointed as servicer for collection of installments from the customers and remittance of the same to SPVs/Banks/Institutions. Hence the company will seek consent from these Trusts/Banks/institutions for granting moratorium to the customers involved in these transactions for their installments falling due during the moratorium period.
- c) In case, the customer does not apply/ Opt in for the moratorium, the loan EMIs will continue to be debited every month as per the existing process.

4. Tenor of the loan after moratorium period

The moratorium facility availed by the customers would result in postponement and not waiver of the installments. Resultantly, the repayment schedule for such loan accounts and also its residual tenor will be extended after the moratorium period depending on the moratorium received by each customer.

5. Interest during moratorium period

In case of all loans and facilities, Interest will continue to accrue on the outstanding amount during the moratorium period. The interest rate charged will be the contracted rate at which loan agreements were entered into with the customers. Such interest will be collected with the first installment due after the end of moratorium granted by the company.

6. Impact on loan agreements

The relief provided to the customers under the policy is to enable them to face the financial crisis imposed by the outbreak of COVID -19. Hence, the same will not be treated as a change in the terms of loan agreement. Such relief provided should not tantamount to waiver of any amount payable under the loan agreements. Customer should make the payments after the end of the moratorium period based on a revised repayment schedule generated by the company.

7. Miscellaneous

- a) For all intents and purposes, the rescheduling of payments, including interest, under the moratorium facility will not result in a default.
- b) The Key Management personnel of the company shall ensure that the above instructions are properly communicated down the line to all the operations and clear instructions are issued to its staff regarding their implementation.
- c) The company will also disclose this policy on its website www.flexiloans.com and www.epimoney.com.

8. FAQs

1. What is the EMI moratorium extended for loans outstanding under the COVID 19 - regulatory package recently announced by RBI?

Moratorium is a temporary pause on the payments of Interest or EMIs on your existing loans. It is a deferment and not a waiver, i.e. the repayments of EMI and Interest for period under moratorium will be due after the moratorium period ends. Also, interest shall continue to accrue on the amount outstanding during the moratorium period.

2. Is availing the moratorium facility compulsory?

No, it is an option extended to our customers who are facing real financial hardship. We would recommend customers to opt for the moratorium period only if they absolutely have to. Customers would save significant interest money and improve their credit history if they continue with the repayment every month.

3. Moratorium is available on which months EMIs?

The Moratorium can be extended on the EMIs due and unpaid for June, July and August, 2020. The same will have to be applied monthly at least ten days before the due EMI date and will be approved basis assessment by the company.

For the month of June' 20, EMIs may be debited as per normal schedule and moratorium requests will be evaluated on merits and approved. We will make best efforts to defer EMI presentation for requests received and approved for the month.

4. Who is eligible to apply for moratorium?

The moratorium period can be exercised by customers, who have availed a term loan or a working capital facility and have regular and standard outstanding balance as on 1st March, 2020. Hence, loans availed in the months of March, April and May 2020 are not eligible to avail moratorium.

Also, customers who have delayed their earlier EMIs and have more than 2 EMIs overdue as on 1st March, 2020 may not get the option for such moratorium, subject to the sole discretion of the Lender.

5. Is the moratorium on Principal or Interest or both?

The customer has a relief from making repayments of Principal as well as Interest on their outstanding loans.

6. Will Interest accrue during the moratorium period?

Interest at the existing rate will continue to accrue on the outstanding amount and will be added to the principal outstanding, resulting in the increase in tenure of the loan.

7. What will happen if I had already opted moratorium for the period of Mar-May 2020?

The moratorium opted from 1st March, 2020 to 31st May, 2020 will not continue. In case you wish to avail the moratorium facility you need to make a fresh application. Also, it is the sole discretion of the company whether or not to extend the moratorium of existing customer after evaluating the loan profile.

8. Will I be eligible for moratorium from June-Aug 2020 if I did not avail it during previous months?

Yes, you can apply for moratorium from 1st June, 2020 to 31st August, 2020 even if you have not availed it previously.

9. How can I apply for moratorium?

If you decide to avail the moratorium option, kindly apply by:

- Emailing us on covid19emi@flexiloans.com from your registered email id;
- or
- Fill the form on <https://flexiloansofficial.typeform.com/to/ABPRQc>

Moratorium can be applied for one month at a time and it will be granted at the sole discretion of the company.

10. How will I be communicated if my request for moratorium is accepted?

After evaluating your financial position, our team will inform you if your moratorium request is accepted based on collection assessment on your registered mail/ phone number.

11. Will I be granted a moratorium on all my loans with FlexiLoans or will I have to submit separate requests for all loans?

If you are eligible for moratorium based on your past payment records and this policy, you will be eligible for moratorium on all your loans but you will have to make separate requests for each loan / working capital facility availed from FlexiLoans.

12. When can I place request for moratorium?

Since moratorium is granted for a month at a time, the moratorium request will have to be made every month i.e. in June, July and August 2020 separately. The request for moratorium for the month will have to be made at least 10 days before the due date of the EMI of that month.

13. How will be the treatment of my loan after the moratorium period ends?

The EMIs unpaid and the interest accrued on the outstanding amount during the moratorium period will be recovered by extending the tenor of the loan.

The revised loan repayment schedule will be communicated with the customers once they avail moratorium.

14. Will there be late payment charges/default interest/additional interest/ bounce charges for the deferred EMIs during the moratorium period?

No additional charges will be levied during the moratorium period if the moratorium is granted as per policy. If there are delays from customer end, charges as applicable, may be levied.

15. Will I have to submit fresh Auto Debit or NACH debit mandates?

Since the EMI amount remains same, it is not required. It is only the tenure that increases to recover the deferred interest accrued during the moratorium period. However, if the EMI amount increases, a fresh NACH mandate will be required and has to be provided.

16. If the option for a moratorium period is exercised, can repayments be made during such period?

Yes, even if the customer has opted for a moratorium period, they can make repayments of any amount that they wish to. It will be settled against the EMIs outstanding.

17. Would non – payment of EMI for 3 months affect my Credit Bureau reports?

No, as per RBI guidelines, the non-payment of EMI during the moratorium period will not constitute as a default and will not impact your credit scores. However, having breaks in the loan repayments could negatively impact the credit history and it is best advised to pay EMIs regularly where you can afford to.

18. What would happen if the customer does not opt-in for the moratorium period and fails to make an EMI repayment?

The facility of moratorium period is not extended automatically and the customers need to explicitly apply for the same. Hence, if the customer does not apply for availing the facility of moratorium period and fails to pay the EMIs falling due till 31st August, 2020, it would be considered as normal defaults in repayments. The company may give an Opt out facility to customers depending on reachability of the customers to provide them the benefit during these tough times.

19. Can I foreclose / prepay my total loan outstanding during the moratorium?

Yes, customers can prepay their entire loan outstanding in the moratorium period.

20. If I am not granted a moratorium, will the moratorium period until 31st August, 2020 be included in my DPDs?

Yes, if your account has not been granted a moratorium, the DPDs count will continue during the moratorium period.