

FAQs on Restructuring 2.0 Scheme:

FIAFL has framed Policy Framework for Resolution of Covid-19 Related Stress 2.0 (“Policy”) in compliance with the Reserve Bank of India’s circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.

What is restructuring 2.0 Scheme?

- Resolution Framework 2.0 permits the lending institutions to re-assess the repayment capabilities of their borrowers and provide rescheduled terms to such existing loans which fall within the eligibility criteria as specified in Resolution Framework 2.0 due to COVID-19 pandemic which has led to significant financial stress for customers.
- Basis the framework and regulatory guidelines, FIAFL has framed Policy Framework for Resolution of Covid-19 Related Stress 2.0 (“Policy”) in compliance with the Reserve Bank of India’s circular no. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021.

Who is eligible for restructuring under restructuring 2.0 resolution framework?

- Borrowers that are classified as ‘Standard’ as on March 31, 2021 only those borrower accounts shall be eligible for resolution under this framework.
- This facility is extended only to such borrowers having stress on account of Covid-19.
- The reduction of income and its financial impact on the borrower will be reviewed by FIAFL basis the information provided by the borrower during visits or telephonic interaction with the borrowers or communication through letter or email.
- Apart from the above, repayment track record of the borrower may also be factored in the decision.
- Borrower should not have availed of any resolution in terms of the Reserve Bank of India vide its circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 on “Resolution Framework for COVID-19- related Stress” (“Resolution Framework – 1.0”).

Which are the products covered?

- All vehicle Loans
- Personal Loans (both for personal use and for business / commercial purposes)
- Personal Loans to professionals
- MSME loans with Udyam certificate (The borrower should be classified as a MSME on March 31, 2021 in terms of Gazette Notification S.O. 2119 (E) dated June 26, 2020)

What loans are not eligible?

- Loans which have been already restructured once.
- Individuals / entities for agricultural purposes and classified as agricultural loans.
- Agricultural credit societies.
- Financial service providers.

How do customer avail the restructuring benefit on his loan?

- Customer may visit our website for the request letter, fill the request letter and submit the relevant details to their RMs or to their service branch.
- Alternatively, customer may contact FIAFL Branch Manager / Relationship Manager.

Can customer apply multiple times?

- Customer can apply for restructuring only once.

What are the restructuring options are available to customer?

- EMI moratorium for upto 6 months from the date of resolution i.e. EMI payment will start latest from the 7th month from implementation of resolution; or
- Graded/Structured EMI with future EMIs
- The balance tenure of the loan can be extended by a period of a maximum of up to 24 months as per the Resolution Framework 2.0.

Do customers need to submit any documents to avail of the restructuring benefit?

- Yes. Request letter and other documents as per the format.

Will opting for the restructuring package have an impact on borrower's credit bureau report?

- The credit reporting in respect of borrowers where the resolution plan is implemented under this facility shall reflect the "restructured" status of the account if the resolution plan involves renegotiations that would be classified as restructuring under the Prudential Framework. The credit history of the borrowers shall consequently be governed by the respective policies of the credit information companies as applicable to accounts that are restructured.

Customer holds multiple loans/credit facilities with the FIAFL. Do customers have to apply separately for each loan?

- The restructuring request should be applied for each loan separately followed by execution of other documents.

Is there a minimum outstanding requirement for availing the restructuring facility?

- Yes, it will be decided by the Company at the time of sanction.

Borrower is self-employed / entity having small-scale unit. Is he eligible for relief?

- Self-employed individuals/entities are eligible for relief for both under the MSME category as well as the Non-MSME category.
- Would request self-employed customers to register themselves as MSME through the Udyam portal of the Government wherever applicable. (Udyam portal link: <https://udyamregistration.gov.in/Government-of-India/Ministry-of-MSME/online-registration.htm>)

Can customer apply for restructuring now as he did not apply for moratorium before?

- The scheme for restructuring is open to all customers irrespective of the moratorium applied status subject to the borrower meeting the regulatory guidelines of restructuring.

Customer already availed of restructuring. Can he avail this once again?

- If you have already availed restructuring under Resolution Framework – 1.0, you are not eligible for restructuring under this scheme.

The existing loan was taken along with a co-borrower or a guarantor. Will the co-borrower/guarantor of the original loan be required to sign the revised restructuring agreement?

- As per regulatory and legal requirements, all borrower/co-borrower/guarantor of the original loan need to agree and sign on any changes in the loan structure including the restructuring agreement.

What is the last date of making applications?

- The Scheme is open till September 30, 2021. However, you have to make a request till 25th September 2021 for us to complete the other formalities.

How much time will it take for customer to know the status of the restructuring application?

- On getting the request letter from the customer, we will initiate the sanction letter with new repayment schedule and on customer's acceptance and execution of agreement the same will be completed within 7 to 10 business days.

How will customer get the approval and communication for acceptance?

- Will communicate the status of the restructuring request vide text message or email on the registered phone number or email address or through call centre.

Will borrower need to do further documentation for restructuring?

- Borrower/co-borrower/guarantor would have to sign the sanction letter along with supplemental agreement post approval to effect the restructuring.
- In case there are two or more parties on the loan structure, then all parties will be required to accept the terms by putting signatures on the supplemental agreement and this will need to be submitted at our nearest branch.

What should customer do in case demise of either borrower or co-borrower or guarantor at the time of restructuring application?

- The other legal person/s to the existing agreement should complete the legal formalities, regularise the loan documents, title etc., and then apply for restructuring as explained hereinabove.

In case of further queries:

Please contact your Relationship Manager / Branch Manager or write to us on customercareafc@itiorg.com