

FREQUENTLY ASKED QUESTIONS ON LOANS RELIEF PROGRAMME UNDER THE CIRCULAR NO 10 OF 2020 ISSUED BY THE CENTRAL BANK OF SRI LANKA, EXTENSION OF DEBT MORATORIUM FOR COVID-19 AFFECTED BUSINESSES AND INDIVIDUALS.

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| 1 | What is this relief program ? | A Debt Moratorium on HSBC loan customers affected by COVID-19 second wave. The Bank will convert the capital and interest on contracted rate falling due during the moratorium period, up to 31 March 2021 or a shorter period as applicable, to a separate Term Loan. |
| 2 | Who will be eligible to obtain a moratorium relief for up to 6 months under the circular No 10 of 2020 issued by CBSL ? | <p>Customers who are engaged in below industries who are adversely affected by COVID 19 will be considered eligible for the relief programme subject to verification;</p> <ul style="list-style-type: none"> a) Business, proprietors and individuals engaged in tourism, direct and indirect export related business including apparel, IT, tea, spices, plantations, logistic supplier, event management and any other sectors adversely affected by COVID 19, b) Individuals engaged in business sectors such as manufacturing, non-financial services, agriculture (including processing), construction, value addition and trading businesses including authorized domestic pharmaceutical suppliers, c) Self-employed individuals who have lost their jobs or income due to COVID 19 |
| 3 | What is the eligibility criteria for a Loan Moratorium ? | All currently performing loans shall be eligible for a moratorium on a reactive basis (Customer declaration form & proof of income is mandatory) |
| 4 | Will I get charged penal interest in the event if I don't make the payment on the due date ? | No. If you opt for the moratorium, you will not be charged penal interest during the moratorium period. |
| 5 | How will I be charged for this moratorium benefit? | You will not be charged anything during the moratorium period. As per the circular, the capital and interest falling due during the moratorium period will be converted in to a separate term loan at a rate of 364 -days Treasury Bill + 1%. The repayment period for such converted loans will be 24 months and the first installment will commence from 1 April 2021 or once the moratorium period ends. |
| 6 | In the event if I opt for a moratorium, does the number of loan installments increase? | Yes. If you opt for the moratorium, the capital and interest due during the moratorium period will be converted to a separate term loan and will be charged as specified in question 5. Once the moratorium period is over you will be expected to pay two installments monthly, one for the original loan and one for the separate term loan created for the moratorium period. Both payments will start from 1 April 2021. |
| 7 | How can I apply for a moratorium ? | <p>You can visit www.hsbc.lk/loansrelief for details.</p> <p>The completed documents can be handed over to the nearest HSBC branch or sent via email to covid19relief@hsbc.com.lk on or before 30 November 2020. In order for the request to be eligible customers must place their signature on the letter of undertaking and submit with all relevant documents. When sending via email customer can send a scanned copy of the signed document.</p> |
| 8 | What happens when the moratorium period ends? | <ul style="list-style-type: none"> a) You will resume to pay installment as done before (Value of the installment remains the same). b) You will also enjoy the original contracted rate (before moratorium) for fixed and floating rate. |

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| | | <p>c) In the event if there is a Board rate revision within the moratorium period due to the market condition, the rate on the floating may get changed.</p> <p>d) Bank will create a separate term loan (inclusive of Principal & interest for the moratorium period) for 24 month and details will be shared.</p> |
| 9 | How can I service the separate term loan created by the Bank? | <p>a) You can increase the current standing instruction or set up a new/separate standing instruction.</p> <p>b) You have the option of using digital services such as CEFT.</p> <p>c) You also have the option of remitting your salary to HSBC an account.</p> <p>d) Cash deposits via easy pay machines.</p> |
| 10 | If my loan is currently overdue, am I eligible to request for a moratorium? | Yes. Only if the loan repayment is delayed up to 59 days. |
| 11 | If my loan is not overdue and requesting for a moratorium, will it impact the credit bureau negatively? | No. However, the Bank will be reporting to the Credit Information Bureau of Sri Lanka that you have opted for a moratorium. |
| 12 | Do I need to submit any documents to opt for the moratorium? | <p>Yes.</p> <p>You must submit the below documents along with the completed letter of undertaking.</p> <p>Latest salary slip (within last 2 months) and a salary slip as of Feb or March 2020 as proof of salary reduction</p> <p>OR</p> <p>- Employment confirmation letter as a proof of job loss.</p> <p>OR</p> <p>If you are self-employed and wish to apply for a loan moratorium, you need to provide us last 2 months' statements of other bank and 2 statements of other bank within January to March 2020 as proof of income reduction.</p> <p>The eligibility to offer the moratorium will be ascertained based on the documents you provide.</p> |
| 13 | Can I opt for a moratorium for my Housing Loan? | Yes. The same procedure to be followed to opt for the moratorium. However, in addition to the above conditions, the DTA (Decreasing Term Assurance) to be extended for the increased tenure and the cost has to be borne by you. |
| 14 | Can I make a payment during the moratorium period and How will the Bank recover the outstanding amount? | Yes. You can request the Bank in writing to recover the payment. Based on your written request, the Bank will recover the accrued interest first and then recover the capital with the remaining balance. Further you can continue with your payment holiday after the recovery. |
| 15 | If my loan is currently overdue what happens when the moratorium ends? | <p>a) You will resume to pay installment as done before (Value of the installment remains the same) for your existing loan and you will resume to pay the installment for the new term loan created.</p> <p>b) Further if you make the payment for your overdue installment/s the overdue status will be regularized.</p> |
| 16 | If my loan is currently overdue can I make the payment to settle my overdue instalment while I'm on moratorium? | Yes. You can. |

