



FREQUENTLY ASKED QUESTIONS ON OVERDRAFT 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.

1	What is this relief program ?	A Debt Moratorium on HSBC overdraft customers affected by COVID-19 second wave. Bank will convert the overdraft 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?	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; <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 19b) 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 Overdraft Moratorium ?	All currently performing overdraft 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 interest falling due during the moratorium period will be converted in to a separate term loan at a rate of 4%. The repayment period for such converted loans will be 12 months and the first installment will commence from 1 April 2021 or once the moratorium period ends.
6	What happens when the moratorium period ends?	<ul style="list-style-type: none">a) You will resume to service your overdraft as usualb) You will also enjoy the original contracted rate (before moratorium)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.d) Bank will create a separate term loan for 12 months tenure ,for the overdraft accrued interest and details will be shared
7	How can I service the separate term loan created by the bank ?	<ul style="list-style-type: none">a) You can make arrangements through your HSBC account to recover the loan installments.b) You can set up a standing instruction to your repayment accountc) You have the option of using digital services such as CEFTd) You also have the option of remitting your salary to HSBC accounte) Cash deposits via easy pay machines
8	How can I apply for a moratorium ?	You can visit www.hsbc.lk/loansrelief for details.

		<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>
11	<p>If I request for a moratorium, will it impact the credit bureau negatively?</p>	<p>No. However, bank will be reporting to the credit bureau that you have opted for a moratorium.</p>
12	<p>Do I need to submit any documents to opt for the moratorium?</p>	<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> <ul style="list-style-type: none"> - Employment confirmation letter as a proof of job loss. <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>