

**FREQUENTLY ASKED QUESTIONS ON LOANS RELIEF PROGRAMME UNDER THE
CIRCULAR NO 08 OF 2020 ISSUED BY THE CENTRAL BANK OF SRI LANKA
EXTENSION OF DEBT MORATORIUM FOR COVID-19 AFFECTED BUSINESSES AND
INDIVIDUALS IN THE TOURISM INDUSTRY.**

1	What is this relief program	<i>Extension of Debt Moratorium for COVID-19 affected individuals in the Tourism Industry</i>
2	Who will be eligible to obtain Moratorium up to 6 months under the circular No 08 of 2020 issued by CBSL?	<p><i>Employees attached to Tourism related organisations, which are registered under below institutions.</i></p> <ul style="list-style-type: none"> <i>I. Ministry of Tourism</i> <i>II. Sri Lanka Tourism Development Authority</i> <i>III. Agencies under Sri Lanka Tourism Development Authority</i> <i>IV. Local Government Authorities such as Pradeshia Sabha, Urban Council or Municipal Council. However, such businesses shall now register with the relevant institutions referred in i), ii) and iii) above</i> <i>V. Department of Cultural Affairs</i> <i>VI. The Hotels Association of Sri Lanka</i>
3	What criteria would be considered for the moratorium?	<p><i>All performing loans as at 18 April 2019 or a later date, granted to eligible borrowers and non-performing loans re-structured under Circular No. 05 of 2020 issued on 27 March 2020 will be considered under this scheme.</i></p> <p><i>Reactive basis (customer request letter is mandatory)</i></p>
4	Will I get charged penal interest in the event if I don't make the payment on the due date or will I get charged penal interest in the event if I obtain the loan moratorium?	<p>No. <i>you will not be charged penal interest until 30 Sep 2020. We have made arrangements to stop penal interest until 30 Sept 2020.</i></p> <p><i>If you opt for the moratorium, you will not be charged penal interest for the moratorium period.</i></p>
5	In the event if I opt for a moratorium for the EMI loan (Straight line Method), does the number of loan installments increase?	<p>No. <i>The number of installments of the loan will remain the same for you, But the loan period will be extended due to the application of the moratorium (Payment Holiday)</i></p> <p><i>Eg. Your final installment of your existing loan is June 2021. In the event if you take a moratorium for 3 months the above final installment will be extended by 3 months.</i></p>

6	In the event if I opt for a moratorium for the reducing Balance loan, does the number of loan installments increase?	No. As per the circular, the capital and interest falling due during the moratorium period will be converted in to a term loan at a nominal interest rate. The repayment period for such converted loan will be 24 months and the first installment will commence from July 2021.
7	In the event if I opt for a moratorium, will I get charged additional interest?	Yes. a) EMI loans (Straight line method) You will get charged a reduced interest of 7% for the moratorium period. Which means only 7% interest gets accrued during the moratorium period. This will result in having a higher installment amount (Unpaid principle) to be paid in the final installment. The final installment will depend on the outstanding loan amount, remaining tenure, moratorium period and interest rate of the loan. b) Reducing Balance loans Standard interest rate on your loan will be accrued for the moratorium period and you will be offered the point no 6 option which the bank will convert the capital and interest for a separate loan with a repayment period of 24 months.
8	How can I opt for the moratorium?	You can contact HSBC call centre on (94) 4472200 or visit any of our branches on or before 25 th Sep 2020.
9	How does a debt moratorium work? What would be my payment Schedule for EMI loans (Straight line Method)	<ul style="list-style-type: none"> a) The capital and the interest for the moratorium period will be differed by the number of months requested by you. b) During the moratorium period the interest will be accrued and charged. c) Post Moratorium period, the installment will resume and the monthly instalment will be allocated to clear the moratorium period accrued interest. d) You will need to pay a higher installment (Unpaid principle) at the final installment which is resulting from the moratorium period. <p>(The final installment will depend on the outstanding loan amount, remaining tenure, moratorium period and interest rate of the loan.)</p>
10	Will I be given the option of rescheduling the final instalment to avoid the high Unpaid principle balloon payment?	Yes. You can make a request to HSBC for its consideration to that effect in writing one month before the last installment.

11	What happens when the moratorium period ends?	<p>a) You will resume to pay installment as done before (Value of the installment remains the same)</p> <p>b) You will also enjoy the original contracted rate (before moratorium) for fixed and floating rate.</p> <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>Please note that the total amount payable for the loan over the extended tenure/ maturity will be higher if you choose to continue with the Moratorium.</p>
12	If my loan is currently delinquent, Am I eligible to request for a moratorium?	Yes. Only if the loan is delayed up to 59 days.
13	If I'm a non-delinquent customer and request for a moratorium, will it impact the credit bureau negatively?	No. There will be no negative impact to the bureau.
14	Do I need to submit any documents to opt for the moratorium	<p>Yes.</p> <ol style="list-style-type: none"> 1. Declaration letter (Requesting for a moratorium) 2. Copy of the latest salary slip 3. The registration of business with the relevant institutions <p>The eligibility to offer the moratorium will be ascertained based on the documents you provided.</p>
15	How do I submit the documents	You can scan and email the documents to the following email address covid19relief@hsbc.com.lk
16	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.
17	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.