

With reference to the Central Bank of Sri Lanka “Circular 02 of 2022 – Concessions to affected borrowers amidst the prevailing extraordinary micro economic circumstances” issued on 7 July 2022, we wish to outline the following relief programs to HSBC borrowers.

1. Financial relief measures for customers with Personal loans, Mortgages and Overdrafts

1.1. Personal Loans & Mortgages

- A debt moratorium up to six months starting from July 2022 during the period up to 7 January 2023 will be offered to all eligible loan customers who make a written or electronic request to the bank by 31.08.2022.

How does a Loan Moratorium Work?

Performing loans

As part of the moratorium relief effort the bank shall defer recovery of capital, interest or both for existing loan facilities of borrowers who are adversely affected due to the current economic conditions, on a case by case basis considering the financial difficulties faced by the eligible borrowers.

The capital and interest due during the moratorium period will be converted to a separate term loan. Once the moratorium period is over you will be expected to pay two instalments monthly, one for the original loan and one for the separate term loan created under the above moratorium program mentioned. The repayment of the separate term loan should be started from the end of the moratorium period. The repayment of the original loan also should commence from the end of the moratorium period.

In order to continue to keep the total instalment value similar to the instalment paid prior to obtaining the moratorium, the bank may extend the tenure of the original loan.

The interest rate applicable for the concessionary period (including the recovery period) will not exceed the latest contracted rate of interest or 15.5%, whichever is higher, and will be charged for the differed period only on the differed amount.

- Bank will waive off penal interest and penal interest will not be accrued during the moratorium period.

Non-performing loans

For Non-Performing accounts, bank will offer restructuring upon evaluation.

1.2. Overdrafts

- A debt moratorium up to six months will be offered to all eligible overdraft customers who submit a completed, letter of undertaking for overdraft facilities.

How does an Overdraft Moratorium Work?

An overdraft moratorium up to 6 months will be granted for the interest up to 7 January 2023. The accrued interest during the moratorium period will be added back in total to the overdrawn value immediately after the deferral period requested by the customer in line with the moratorium.

2. Relief related to Credit Cards.

- A payment holiday will be offered only for performing credit card.
- The credit limit will be revised down to 50% of current limit or 10% above of current outstanding ((at the time of processing payment holiday request), whichever is higher (in line with the Payment Holiday program Terms & Conditions. The credit Limit of the credit card will be reinstated one month after the moratorium if accounts is not overdue
- Credit Card Limit to be reinstated one month after the moratorium if the account is not delinquent.
- Non-Performing credit cards bank will offer restructuring upon evaluation.

3. Early Settlement Fee Waiver

If you wish to settle the existing credit facilities in full without opting for a relief/moratorium program, you may do so with, a no early settlement fees.

Please send us a written or electronic request to reach us by 30 September 2022 to avail the fee waiver.

4. Eligibility criteria for a Loan and overdraft Moratorium or a Credit Card relief program

Borrowers who are affected due to the prevailing macroeconomic circumstances, on a case by case basis will be considered eligible for the relief programme subject to validation.

Below are some incidents that will be considered based on validation

Customers who are affected due to:

- a) Loss of job
- b) Loss or reduction of income / Salaries / Sales
- c) Closure of business
- d) Including but not limited to tourism, transportation and construction on a case-by-case basis.

5. How to Apply

- If you wish to obtain this relief measure, please complete the letter of undertaking and send a request via written and/or electronic medium.
- The completed documents can be handed over to the nearest HSBC branch or sent via email to covid19relief@hsbc.com.lk on or before 31 August 2022. In order for the request to be eligible, customers must place their signature on the letter of undertaking and submit with all relevant documents.

Documents

Letter of Undertaking for loan moratorium

- Straight line method - < [Click here](#)>
- Reducing Balance Method - < [Click here](#)>

Undertaking letter for overdraft moratorium - <[Click here](#)>

<[Click here](#)> FAQ to learn more about Loan Moratorium.

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