



Restructuring Policy Under Covid19 Resolution Framework 2.0

May 2021

Restructuring Policy Under Covid19 Resolution Framework-2.0

In view of the second wave of Covid-19, the Reserve Bank of India (RBI) has announced the Resolution Framework (RF) 2.0 in May 2021 to help those hit financially by the pandemic.

A. Purpose of this resolution framework:

The purpose of this framework is to provide relief to borrowers affected by the second wave of Covid-19 pandemic. A borrower will be considered as affected by the second wave of Covid-19 pandemic, if any of the following conditions are fulfilled:

- Customer's salary/income during the pandemic has been impacted
- Reduction/suspension in salary during the lockdown period
- Job loss/closure of business
- Closure during lockdown/reduced activity of units/shops/business establishments in case of self-employed/professionals/businessmen

B. The loans covered under this framework:

The following loans are covered under the framework:

- Housing Loans
- LAP

C. Eligibility:

To be eligible under the framework, the following eligibility conditions need to be fulfilled:

- Customer's loan should be a "**Standard account**" as on **31st March 2021**
- Customer should have been affected by the second wave of Covid-19 pandemic and fulfil any of the conditions stated above
- The reduction of income and its financial impact on the customer will be reviewed by MBHF basis the information provided which does show the drop in cash flow due to the COVID-19 (second wave) impact. The MBHF will assess the viability of the customer to pay the restructured EMIs basis the documents provided, before granting the restructuring. Apart from the viability calculations, the repayment track record of the customer, and the responses given by the customer while availing moratorium earlier will also be factored in the restructuring decision.

D. Application to get relief under above framework:

- Customer has to submit their application through mail/WhatsApp/hard copy in their respective branches and branch has to forward the same to H.O Ops.
- Decision on the application shall be communicated in writing to the applicant by MBHF within 30 days of receipt of such applications

E. Documents to be submitted while applying:

Copies of the following documents need to be submitted along with the application:

- Declaration by self-employed professionals/ businessmen declaring that their business is affected by Covid19 (second wave).

- Declaration by salaried persons declaring that their salary has been reduced or they have lost job due to Covid19 (second wave).

F. Relief/relaxations available under the framework:

The resolution plans implemented under this window may inter alia include rescheduling of payments, granting of moratorium etc.

The moratorium period, if granted, may be for a maximum of two years, and shall come into force immediately upon implementation of the resolution plan.

The extension of the residual tenure/restructure of the loan facilities may also be granted to borrowers, with or without payment moratorium. The overall cap on extension of residual tenure, inclusive of moratorium period if any permitted, shall be two years.

Note:

1. If, for a product, max tenure is 180 months and customer has availed loan for 180 months or more, further tenure deviation may be given by appropriate authority to extend the tenure for another 24 months under this framework.
2. It has to be kept in mind that **total tenure capping is 24 months** including the tenure given for moratorium (Resolution frame work 1.0+Resolution frame work 2.0).

G. Fees and Charges for re-structure:

Rs 2500+GST

H. Loans which are not eligible for restructuring:

Loans which have already been rescheduled.

I. Invocation:

Restructuring under this frame work should be invoked by 30th September 2021 and should be implemented within 90 days of invocation.

Note-The resolution process under this window shall be treated as invoked when the MBHF and the borrower agree to proceed with the efforts towards finalizing a resolution plan to be implemented in respect of such borrower.

J. Asset Classification:

If a resolution plan is implemented in adherence to the provisions of this circular, the asset classification of borrowers' accounts classified as Standard may be retained as such upon implementation, whereas the borrowers' accounts which may have slipped into NPA between invocation and implementation may be upgraded as Standard, as on the date of implementation of the resolution plan.

In respect of borrowers where the resolution process has been invoked, MBHF is permitted to sanction additional finance even before implementation of the plan in order to meet the interim liquidity requirements of the borrower. This facility of additional finance may be classified as 'Standard' till implementation of the plan regardless of the actual performance of the

borrower in the interim. However, if the resolution plan is not implemented within the stipulated timelines, the asset classification of the additional finance sanctioned will be as per the actual performance of the borrower with respect to such additional finance or performance of the rest of the credit facilities, whichever is worse.

K. Provisioning norms:

MBHF will be required to make a provision of **10%** from the date of implementation of resolution plan.

Half of the above provisions may be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA post implementation of the plan, and the remaining half may be written back upon the borrower paying another 10 per cent of the residual debt without slipping into NPA subsequently.

L. Disclosure & Credit Reporting:

- MBHF will disclose regarding their restructured accounts in their Half yearly and annual financial statements.
- The credit reporting by MBHF in respect of borrowers where the resolution plan is implemented under this window shall reflect the “**restructured due to COVID19**” status of the account.
- 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

Format for Disclosure

Sl. No	Description	Individual Borrowers		Small businesses
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A			
(B)	Number of accounts where resolution plan has been implemented under this window			
(C)	Exposure to accounts mentioned at (B) before implementation of the plan			
(D)	Of (C), aggregate amount of debt that was converted into other securities			
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation			
(F)	Increase in provisions on account of the implementation of the resolution plan			

M. Approval Matrix:

Restructuring cases will be approved as per authority matrix below

Restructure/Moratorium- Approval Matrix		
SI No	Stage	Authority
1	Recommendation	ACM+RCM
2	Approval	CCCO+CEO

N. Grievances Redressal Process:

There can be instances where customers are not satisfied with the services provided. To highlight such instances and register a complaint we advise our customers to please follow the following process:

Customers who wish to send their complaint, may use the following channels between 9:30 am and 6:00 pm, Monday to Friday (except on national holidays).

- Email us at customercare@manibhavnam.com
- Contact us at customer care number at 9310100001
- Write to us at the below mentioned address:

ManiBhavnam Home Finance India Private Limited
N-2, Second Floor, South Extension-1
New Delhi-110049

The Restructure policy shall also be uploaded in company's website for customer's convenience.