



MAHARASHTRA RURAL HOUSING & MORTGAGE FINANCE LIMITED

**POLICY ON MORATORIUM AND PROVIDING RELIEF TO CUSTOMERS
DUE TO FINANCIAL STRESS CAUSED BY COVID-19**



Background of the Company:

MAS Rural Housing & Mortgage Finance Limited (MRHMFL) is a Housing Finance Company registered with the National Housing Bank. It is promoted by MAS Financial Services Limited (MFSL).

MRHMFL has an endeavor to realize the dream of millions of Indian House Holds to “OWN A HOME”. The focus is to serve the middle income segment of the society, which we reckon as one of the key drivers of the housing industry. This segment is largely characterized by the informal but credit worthy class.

MRHMFL leveraging on its more than two decades of in-depth understanding, is poised to cater to this segment and be a catalyst in realizing the most cherished dream of this segment to “OWN A HOME.” It is worth noting that, this class is spread across the length and breadth of the country, be it urban, semi-urban or rural.

Extending "Credit where it is due" remains the main plank, as far as credit delivery is concerned in consistent with the endeavour of the group since the last two decades of building quality assets.

On March 11, 2020, the World Health Organization declared COVID 19 a pandemic, which has impacted almost all countries around the world, including India. As a control measure, the Indian Government announced a lock down across India to restrict the spread of the virus. Consequently, economic activity across all sectors has significantly impacted with resulting impact on business earnings, cash flows as well as their loan repayment capacity.

The RBI vide its Notification RBI/2019-20/244 - DOR No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 inter-alia announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of the COVID 19 pandemic and to ensure the continuity of viable business, issued instructions to the regulated entity. The Board of Directors (“Board”) of MAS Rural Housing & Mortgage Finance Limited (“Company”) has considered the same and approved this policy on Moratorium. For the purpose, the Board of the Company has approved the Policy on Moratorium due to financial stress caused by COVID-19.

MRHMFL Policy:

Our company cares for the customers. Many of the customers are impacted due to the current outbreak of the Pandemic worldwide affecting millions of people on all fronts, cash flow and earning of many of our customers may have been impacted. Company in lines with RBI notification dated March 27, 2020 has earlier extended moratorium for three months falling due between March 2020 and May 2020 to support their customers. In view of the extension of lockdown and continuing disruption on account of COVID-19, RBI through its notification dated May 23, 2020 permitted HFCs to extend moratorium for another three months from June 1, 2020 and August 31, 2020. Considering the current



economic scenario, upliftment of the lockdown by the Government and resumption of normal business activities which will take some time to reach the pre-COVID level, the Board of the Company has decided to extend the moratorium for the month of June 2020 and not to raise the instalment demand for the instalments falling due in the month of June 2020. The Company will reassess the market scenario in the month of July 2020 and on that basis the Company will decide whether moratorium for the month of July 2020 and August 2020 is to be extended to the customers or not. The Customers are requested to monitor the website of the Company for the further updates on the moratorium for the month of July 2020 and August 2020. The brief details of the moratorium scheme for the instalments falling in the month of June 2020 are mentioned below:

1. The relaxation would be uniformly applicable to all loans and other credit facilities outstanding as on March 31, 2020. Nonpayment of EMIs or bounce of PDCs and NACHs will be treated as deemed acceptance of revised repayment schedule which will be drawn as per Company's policy under the overall framework of RBI's notification.
2. During the said moratorium period, Interest shall continue to accrue on the outstanding portion of the term loan. The Interest accrued will be added to the outstanding loan amount and the repayment schedule for such loans as also the residual tenor, will be shifted across the board by a month after the moratorium period which might result in marginal increase in EMI or the Company may ask the borrower to pay the interest accrued during this period post the completion of the moratorium period or the Company may extend the tenure of the loan keeping the EMI same. The decision will be taken which is in the best interest of the customer looking at the terms of loan and the effect of moratorium on schedule. Revised payment terms would be shared with the client and in case of any issue client should contact the company within 10 days of the receipt of the schedule. The contact details are mentioned in annexure.
3. Interest to be accrued at contractual rate as defined under the agreement entered between the borrower and the Company.
4. If borrower wants to avail the moratorium but also wants to continue paying some amount as per his convenience, as at present sufficient liquidity is available but considering disruptions and economic uncertainty on account of COVID, customer is of the view that temporary disruption in cash flow may arise in future and considering this customer may want to keep the amount paid as an advance with the Company, then the customer may continue doing the same. The effective credit of same will be given to their loan account. No pre-payment charges will be recovered and the benefit of the interest would be passed on to the customer. Any amount received during this period would be adjusted against the next EMI due after the moratorium period or credit facility amount outstanding after the moratorium period.
5. If customer does not want to opt the relaxation under this moratorium scheme and wants to continue paying EMI regularly as per general terms and condition then the customer is required to inform us. The customer may contact us as per the details mentioned in annexure. The customer needs to contact us before June 30, 2020.



6. The moratorium/deferment granted to borrowers will not qualify as default on the part of borrowers for the purposes of supervisory reporting and for reporting to credit information companies.
7. The relief given as above as per the special dispensation given by RBI will not result in any downgrade of asset classification. However, if there is an existing default like interest / principal asset classification and provisioning norms of the company will apply.
8. If the company is of the view that some customers might not be impacted because of COVID-19 or has sufficient liquidity or has malafide intent to misuse the scheme or there is misrepresentation or non-submission of timely information or any non-compliance of any of the condition mentioned in this policy or any of the agreement executed for the credit facility by the client or subordination of the interest of company by the client, then for such cases the company has rights to exclude such customers from the relaxation provided under this policy. Decision of the Company would also be based on the satisfactory assessment and response from the field team and other credit checks. The Company may instruct process for moratorium to such customer which needs to be complied for granting of Moratorium.
9. While this policy outlines the broad internal guidance that the company will follow to take decisions regarding moratorium, the company retains the discretion to change the policy from time to time and announce it appropriately on its website.

Other Conditions:

1. In case regulator proposes any further forbearance in future, the same shall be applicable to all.
2. It must be noted that there are no restrictions on borrowers who may otherwise wish to continue servicing their loans on the existing terms without availing of any moratorium.
3. The Company has securitized / assigned its loan receivables to Third Parties and the Company is appointed as servicer for collection of installments from the borrowers and remittance of the same to the respective Third Party. Hence the Company will seek consent and obtain approval from the concerned Banks for grant of moratorium for the purpose of securitization / assignment instalments. The assigned Loans shall be governed by the respective policies of the assignee parties. If third party rejects the request of lender & Borrower, then, in such scenario, for that credit facility, the moratorium period would not be granted.
4. This policy shall be subject to, and read with, the RBI COVID-19 Notification issued by RBI and/or the other Applicable Laws.



Exceptions to policy:

- The Finance Committee of the Company is authorized to approve any operational procedures / guidelines as may be required to implement the policy.

The Key Management personnel of the Company shall ensure that the above instructions are properly communicated down the line for implementation to all the operations and branch executives of the Company. The above policy is an integral part of the existing Loan / Credit policy of the Company.

This policy shall be displayed on the web site of the Company www.mrhmf.co.in

Annexure - Contact Details

Email ID	mrhmfl@mas.co.in
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