

FAQs on Restructuring of Loans

Introduction:

The Coronavirus pandemic has impacted our lives. At this extraordinary time, we at ICICI Bank, are committed to continue to stand in solidarity with our customers who have been impacted by the pandemic.

As an immediate relief measure, we had offered customers the choice to opt for an EMI/instalment moratorium (postponement of EMIs/instalments) for loans and credit cards till August 31, 2020, in line with the package announced by the Reserve Bank of India (RBI).

The RBI has further released a framework to banks and lending institutions to offer resolution plans to mitigate the financial stress of the borrowers. In line with the regulatory framework and guidelines, we have chalked out a policy for restructuring of credit facilities of our customers who have been impacted by the pandemic.

Through these relief measures, we endeavour to help facilitate revival of activities and enable our customers to focus on their well-being in this challenging situation.

We have provided below some of the frequently asked questions (FAQs) pertaining to our policy on restructuring of credit facilities.

Frequently Asked Questions (FAQs):

Q1. The regulator has released a guideline with respect to restructuring under the 'Resolution Framework'. What does restructuring mean?

Restructuring is an act in which banks and financial institutions grant concessions to borrowers in times of economic difficulty. The measures may include, among others, change of payment period, change in EMI etc.

Q2. Which credit facilities are eligible for restructuring?

The following credit facilities are eligible for restructuring:

1. Credit facilities of individuals and entities which are classified as 'Standard Account' and are not in default for more than 30 days as on March 1, 2020.
2. The credit facilities should continue to be classified as 'Standard Account' till the date of invocation of the application for restructuring. The date of invocation is the date on which both the borrower and ICICI Bank agree to proceed with the resolution plan.
3. The cash flow/income of the borrower must be impacted as a reduction in income or loss of job/income due to the ongoing COVID19 pandemic. The Bank will review the impact on cash flow/income of the borrower on the basis of the documentation and information submitted.

Q3. What type of credit facility(ies) are eligible for restructuring?

Loans to individuals

- I. Consumer loans such as:
 - a. Credit card outstanding balances
 - b. Auto loans (excluding loans for commercial usage)
 - c. Secured personal loans (excluding loans for business purposes)
 - d. Personal loans to professionals (excluding s loans for business purposes)
- II. Home loans
- III Education loans

IV. Loans taken by customers for investment in financial assets (shares etc.)

Loans to entities (excluding borrowers classified as MSME and having exposure up to Rs. 25 crore);

- a. Loan against Property
- b. Business Instalment Loan
- c. Commercial Cards
- d. Auto Loans
- e. Dealer Finance

Q4. How to apply for restructuring of the credit facilities?

The borrowers can use any of the following channels to apply for restructuring of their credit facilities;

1. Apply online at www.icicibank.com.

(Note: The link for application will be updated shortly Please note that a One Time Password (OTP) will be generated during the online application process. The OTP will be sent to the mobile number and e-mail ID of the borrower as registered with the Bank. Therefore, borrowers must ensure that their accurate mobile number and e-mail ID are registered with the Bank.

To update or register mobile number and e-mail ID with the Bank, a borrower can either visit the Bank's loan servicing branch or call its customer care.)

2. Visit the nearest loan servicing branch of ICICI Bank. The list of the loan servicing branches is here: <https://www.icicibank.com/find-atm-branch/loan-servicing-branches.page>
3. Contact your Relationship Manager (RM)

Q5. What is the timeline for implementation of the restructuring plan?

The borrower needs to submit request for restructuring of credit facilities on or before December 18, 2020.

Q6. What are the restructuring options available to the borrower?

After assessing the impact of the financial stress on the borrower, the Bank may offer to extend the repayment period of the credit facility up to 24 months to help reduce EMI amount of the borrower.

Q7. If the borrower has applied for restructuring, can it be considered as having been accepted and implemented by ICICI Bank?

No. The application for restructuring of credit facility does not guarantee its acceptance. This is the beginning of the whole process. Once the borrower applies for restructuring of credit facility, the Bank will review the application on the basis of its internal policies. Thereafter, the Bank will communicate the acceptance of the application along with the terms thereof or the rejection of the application.

Q8. What steps does the borrower need to take for availing restructuring credit facility(ies)?

1. Submit an application for restructuring of credit facility along with required documents on the Bank's website or at a loan servicing branch. The list of the loan servicing branch can be found at <https://www.icicibank.com/find-atm-branch/loan-servicing-branches.page>
The Bank will review the application and documents. It may thereafter offer a plan for restructuring of the credit facility or it may reject the application. The Bank will inform the borrower about its acceptance or rejection of the application via SMS and/or e-mail.
2. The borrower needs to visit a loan servicing branch of the Bank to accept the resolution plan put forth by the Bank. The borrower will also need to submit further documents, if any, as requested by the Bank.

(Note: The borrower is required to visit the loan servicing branch of ICICI Bank within 30 days from the date of intimation for completing documentation. If the borrower fails to submit the required documents within the stipulated period, the application would be cancelled. In such cases, the borrowers will need to continue making the payment as per the original repayment schedule of the credit facility(ies)).

Q9. What are the documents to be submitted to ICICI Bank along with the application for availing of the restructuring facility?

Loans to individuals:

a. Salaried

- Up-to-date salary slips from January 2020
- Up-to-date bank account statement from January 2020 for the account in which salary is credited
- Proof of loss of job from previous employer (in case of loss of job)
- The customer's declaration of current unemployment, due to loss of job (in case of loss of job)

b. Self Employed

- Bank account statements for previous 12 months along with income documents as may be applicable
- GST returns for H1 FY2020 and H1 FY2021

Loans to entities:

- Last audited financial numbers for FY 2019
- Provisional/Audited financial numbers for FY 2020
- Projected financial numbers till FY 2022
- GST returns (if applicable) / CA certified turnover (if GST not applicable) from April 01, 2019
- Up to date bank statements of the account, in which the entity is transacting from April 01, 2019

For loans to entities, the borrower should be in compliance with the financial ratios as recommended by the RBI appointed expert committee for the specific sectors and shall be subject to ICICI Bank's internal policy.

Note: All documents need to be self-certified. In addition to these documents, ICICI Bank may require additional information, documents and/or additional collateral to process the application of the borrower.

Q10: How can I submit these documents?

A borrower needs to submit these documents along with the application for restructuring of facility. The documents can be submitted online at www.icicibank.com (link will be provided shortly) or at a nearby loan servicing branch of the Bank.

Q11. Can I apply for restructuring of multiple loans that I have with ICICI Bank?

Yes, you can apply for restructuring of multiple credit facilities with the Bank. Please note that a borrower can apply for restructuring only once under this resolution programme.

Q12. Will the Bank restructure all of these facilities?

ICICI Bank will review the borrower's application for restructuring of credit facilities in line with its internal policy. Depending on the borrower's financial stress, the Bank may approve restructuring request in all or some of the credit facilities. The Bank will communicate its decision to the borrower.

Q13. Can a borrower apply for restructuring of part of his/her outstanding towards a credit facility?

No, restructuring of partial outstanding is not permitted.

Q14. How can I update my PAN/mobile no./e-mail ID before applying for restructuring?

1. A borrower can update PAN in the respective credit facility just by visiting the nearest loan servicing branch of the Bank <https://www.icicibank.com/find-atm-branch/loan-servicing-branches.page>
2. Similarly, mobile number and e-mail ID can be updated by visiting ICICI Bank's loan servicing branch. They can also be updated by contacting the Bank's customer care department.

Note: The borrower must ensure that the details entered along with loan account number while applying for restructuring are correct.

Q15. Will a settlement, which is done between the borrower and ICICI Bank, come under the purview of restructuring?

No, any settlement independently done earlier between the borrower and ICICI Bank will not come under the purview of restructuring.

Q16. Will borrowers against whom ICICI Bank has initiated legal recourse for recovery of dues (including under the SARFAESI Act) be eligible for restructuring?

No, these borrowers are not eligible for restructuring of their credit facilities.

Q17. Will there be any change in the credit bureau status, post restructuring of credit facilities?

The credit bureau status of the respective credit facilities of the borrower will be updated as "restructured".

Q18. Will I get any confirmation from the Bank on applying for restructuring?

Yes, the Bank will send a confirmatory SMS and e-mail to the borrowers when they apply for restructuring. These communications will be sent on the mobile number and e-mail ID of the borrower as registered with the Bank.

To update or register mobile number and e-mail ID with the Bank, a borrower can either visit the Bank's loan servicing branch or call its customer care.

Q19. Whether ICICI Bank will send any communication intimating the acceptance/rejection of the application for restructuring of the borrowers?

Yes, the borrowers will be informed through SMS and e-mail about the acceptance/rejection of their application for restructuring.

These communications will be sent on the mobile number and e-mail ID of the borrower as registered with the Bank.

To update or register mobile number and e-mail ID with the Bank, a borrower can either visit the Bank's loan servicing branch or call its customer care

Q20. How much time will ICICI Bank require to review my application for restructuring?

ICICI Bank will endeavour to review the application within 10 working days from the date of receipt from the borrower along with all required documents sought by the Bank.

Thereafter, the Bank will communicate the acceptance or rejection of the application to the borrower via SMS and e-mail.

Q21. Would there be any additional interest charged for restructuring of the credit facility?

Yes, additional interest will be charged on credit facilities which will be restructured.

Q22. What type of borrower's / credit facilities) are not eligible for restructuring (Personal & Other than Personal Category)?

The following type of borrower(s) / credit facility(ies) are not eligible for restructuring under RBI's Resolution Framework:

- a. MSME borrowers whose aggregate exposure to lending institutions collectively, is Rs. 25 crore or less as on March 1, 2020.
- b. Farm credit as listed in Paragraph 6.1 of Master Direction FIDD.CO.Plan.1/04.09.01/2016-17 dated July 7, 2016 (as updated) or other relevant instructions as applicable to specific category of lending institutions.
- c. Loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) and Large-sized Adivasi Multi-Purpose Societies (LAMPS) for on-lending to agriculture.
- d. Exposures of lending institutions to financial service providers. Financial service providers shall have the same meaning as in sub-section (17) of Section 3 of the Insolvency and Bankruptcy Act, 2016.
- e. Exposures of lending institutions to Central and State Governments; Local Government bodies (eg. Municipal Corporations); and, body corporates established by an Act of Parliament or State Legislature.
- f. Exposures of housing finance companies where the account has been rescheduled in terms of para 2(1)(zc)(ii) of the Master Circular - The Housing Finance Companies (NHB) Directions, 2010 after March 1, 2020, unless a resolution plan under this framework has been invoked by other lending institutions. However, from the date of this circular, any resolution necessitated on account of the economic fallout of Covid-19 pandemic, shall be undertaken only under this framework.

Q23. Whether MSME borrowers having aggregate exposure of Rs. 25 crore or less are eligible for restructuring under the Resolution Framework?

No, MSME borrowers with total exposure of Rs. 25 crore or less across lending institutions cannot apply under this resolution programme.

They can apply for relief under the RBI's MSME restructuring scheme as per notification dated January 01, 2019 (as may be updated, modified and extended from time to time). The borrowers can contact their Relationship Manager for more details.

ICICI Bank also requests its self-employed customers to register themselves as MSME through the Udyam portal of the Government, wherever applicable.

Udyam portal link: <https://udyamregistration.gov.in/Government-of-India/Ministry-of-MSME/online-registration.htm>