

FAQs on Restructuring

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 ("Resolution Framework") to banks and lending institutions to offer resolution plans to mitigate the financial stress of the borrowers. In line with the Resolution Framework, 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. ICICI 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 and personal loan availed on such credit cards
 - b. Equated Monthly Instalment (EMI) option availed on debit cards
 - c. Auto loans (excluding loans for commercial usage)
 - d. Personal loans to professionals (excluding loans for business purposes)
 - e. Personal loans given to salaried customer (for consumptions purposes)
- II. Home loans

III. Education loans

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

Loans to non-individuals / corporates (excluding borrowers classified as MSME and having exposure up to Rs. 25 crore):

- I. Loan against Property
- II. Business Instalment Loan
- III. Commercial Cards
- IV. Auto Loans
- V. Dealer Finance
- VI. Commercial vehicle/construction equipment
- VII. Business Loans Group
- VIII. Rural Business Credit
- IX. Loans against securities

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 ICICI Bank. Therefore, borrowers must ensure that their accurate mobile number and e-mail ID are registered with ICICI Bank.

To update or register mobile number and e-mail ID with ICICI Bank, a borrower can either visit ICICI 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, ICICI 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 entire process. Once the borrower applies for restructuring of credit facility, ICICI Bank will review the application on the basis of its internal policies. Thereafter, ICICI 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 the restructuring of credit facility(ies)?

1. Submit an application for restructuring of credit facility along with required documents on ICICI Bank's website or at a loan servicing branch. The list of the loan servicing branches can be found at <https://www.icicibank.com/find-atm-branch/loan-servicing-branches.page>

ICICI 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. ICICI 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 ICICI Bank to accept the resolution plan put forth by ICICI Bank. The borrower will also need to submit further documents, if any, as requested by ICICI 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 the 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?

In addition to the below mentioned documents, ICICI Bank may require additional information, documents and/or additional collateral to process the application of the borrowers.

Loans to individuals:

a. Salaried

- Bank account statement (where salary is getting credited) along with salary slips for last twelve (12) months
- Proof of loss of job from previous employer (in case of loss of job)
- Customer's declaration of current unemployment, due to loss of job (in the format prescribed by ICICI Bank)
- Death certificate/discharge summary certificate of applicant/co-applicant (applicable in case of a covid-19 related death / hospitalization)

b. Self Employed

- Bank account statements along with income documents (IT Return with all annexures) from 01st April, 2019 till date.
- GST returns (if applicable) or Chartered Accountant certified turnover statement (if GST is not applicable) from 01st April, 2019 onwards (in the format prescribed by ICICI Bank)
- Latest audited financial statements for financial year 2019-20 and projected/provisional statements for financial year 2020-21. In case provisional statement is provided for FY 2019-20, then audited financials of FY 2018-19 will be required.

Loans to non-individual / corporates -

- Audited financial report with all annexure for FY18-19, audited/provisional financial statements for the FY19-20. Balance Sheet along with Auditors' Report and Notes to accounts and Tax Audit Form 3CD & 3CB) needs to be submitted. If audited for FY 19-20 is being provided, then audited of FY 18-19 is not required.
- Bank statements (from April 2019) along with Goods and Services Tax (GST) returns to be submitted for validation for the aforementioned period.
- Projected financial statements for FY2020-21, FY2021-22 & FY 2022-23 to be submitted.
- Debtors' list with aging of 30+, 60+, 90+ and 180+ days.
- CA certificate for overall exposure of the entity in banking system (as per the format provided by ICICI Bank)
- Supporting details for the suggested remedial measures with the estimated time frame by the enterprise to justify the action plan /solution.
- Loan & Liability statement of Proprietor/ Partners/ Directors.
- For commercial business, contract in hand details to be provided.

For loans to non-individual/corporates, 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.

In cases where multiple lending institutions are involved, consent from lenders is to be obtained (75% by value of total o/s and 60% by number of the lending institutions)

In case of Lease Rental Discounting, the proof for dip in rentals and a copy of revised rent agreements are required.

The detailed list of standard documents which need to be submitted to ICICI Bank is available at the application portal on the website of ICICI Bank. All documents need to be self-certified.

Q10. How can I submit these documents?

Borrowers 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 ICICI 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 ICICI Bank. Please note that a borrower can apply for restructuring only once under this resolution programme.

Q12. Will ICICI 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, ICICI Bank may approve restructuring request in all or some of the credit facilities. ICICI 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 ICICI 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 ICICI 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 action 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 ICICI Bank.

To update or register mobile number and e-mail ID with ICICI 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 ICICI Bank.

To update or register mobile number and e-mail ID with the Bank, a borrower can either visit ICICI 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 / request for restructuring within 10 working days from the date of receipt of all requisite documents from the borrower as required by ICICI Bank.

Thereafter, ICICI 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 loans & other than personal loans 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 (Banks and NBFC's) collectively is greater than Rs. 250 million as on March 01, 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.

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 to lending institutions (Banks and NBFC's) collectively of Rs. 25 crore or less cannot apply for restructuring under the Resolution Framework, however 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). To check their eligibility and apply for restructuring, customers can visit the nearest loan servicing branches.

<https://www.icicibank.com/find-atm-branch/loan-servicing-branches.page>

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

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

Q24. What are the options available for loan restructuring in credit cards?

The credit card customers, who have been financially impacted by the pandemic, can choose either or both options below:

a) Convert the total outstanding amount of credit card into a credit facility repayable in equated monthly installments (EMI).

b) Extend the tenure of the ongoing personal loan availed on the credit card (PLCC).

However, please note that the option for restructuring of credit cards will be subject to internal policies and eligibility criteria.

Q.25. What type of restructuring option is available on EMI availed on debit cards?

Customers who have availed EMI on debit cards may choose to extend the tenure of the ongoing loan on their debit card.

Q.26. Will restructuring of the Personal Loan on Credit Card (PLCC) and EMI availed on debit cards result in a separate loan?

Yes.

For example: In case of restructuring of a personal loan on credit card(PLCC), the ongoing personal loan availed on the credit card will be closed. In its place, a new personal loan on the same credit card will be started at a new interest rate. The revised repayment schedule shall be separately communicated to the customers.

A similar process will be followed in case of restructuring of EMI on debit card as well.

Q.27. Whether customers will be allowed to carry on further transactions from their credit card/ EMI on debit card in which the outstanding amount is already under restructuring?

ICICI Bank will decide whether to allow further transactions at any point of time, from the credit card /EMI on debit card, in which the outstanding amount has been restructured.

Q.28. What is the minimum outstanding amount on the credit card / EMI on debit cards to be eligible for restructuring?

Outstanding amounts of more than or equal to Rs. 50,000 on each credit card / EMI on debit cards will be eligible for restructuring.

Q.29. Whether credit facility(ies) disbursed after March 1, 2020 will be eligible for restructuring?

No, any credit facility disbursed after March 1, 2020 will not be eligible for restructuring.

Q.30. What is the process for restructuring for Loan Against Securities (LAS) accounts?

For any query regarding Loan against Securities restructuring, borrowers can approach their nearest loan servicing branch <https://www.icicibank.com/find-atm-branch/loan-servicing-branches.page> or call Customer Care or contact his/her LAS Relationship Manager (RM).