

Moratorium on loans: Here's what it covers and how it benefits you

By [Atmadip Ray](#), ET Bureau | 28 Mar 2020, 10:41 AM IST

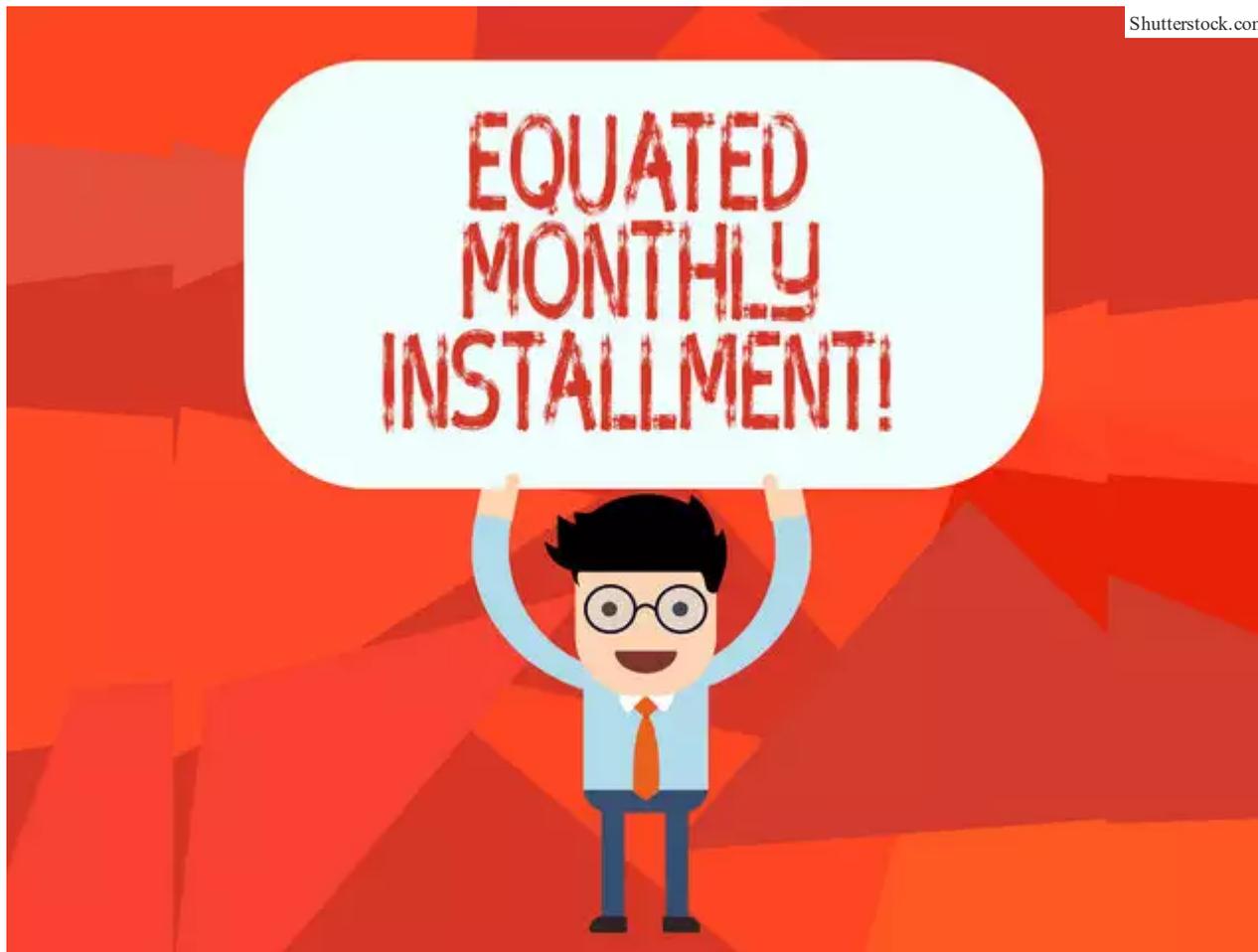


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1/6 What has RBI done?

Three-month moratorium on repayment of all kinds of retail loans — home, auto, personal, and education. You also don't have to pay credit card dues.



2/6 How will this benefit you and me?

You don't have to pay EMIs on any retail loan for three months. You can conserve cash and use it for emergency. Move will help people who have suffered job losses or salary cuts. Also, non-payment will not be treated as default. Bank staff or collection agents will not chase you for nonpayment and you will not be reported to CIBIL or any other credit information agency.

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3/6 **What do I do if I don't want to pay my EMIs?**

This is the tricky part. Bankers are still working on the modalities of how people can opt for non-payment. They say that a customer can inform his bank through phone or his relationship manager or through an email to cancel the ECS or PDC. They can also transfer the funds to another account in which case they will incur the bounce charges which can be refunded back to your account. Some banks may also issue an advisory asking whether you want to opt for the scheme.



4/6 **Should I pay if I have the money?**

This is a deferral, not a waiver. Interest will accrue, so if you have the money and are not facing any life-threatening issues, it's best for you to pay.

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5/6 Will the moratorium be extended beyond three months?

Nobody knows as of now. The RBI can take a call depending upon how the situation unfolds on the Covid-19 front.



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6/6 **When will this come into effect?**

Effective March 1. The deferment covers the months up to May 31.

