

LIC Housing Finance Limited
(FAQs on Resolution Framework 2.0)

1) What is One Time Restructuring Framework 2.0 ?

Considering the resurgence of Covid-19 pandemic in the recent times, RBI has come out with policies/notifications to alleviate the potential stress to individual borrowers, small businesses & MSMEs.

2) What is the basic eligibility criteria for restructuring under Resolution Framework 2.0?

- a) Loan account should be Standard as on 31.03.2021.
- b) Individuals who have availed Personal Loans (excluding own personal staff).
- c) Individuals who have availed loans and advances for business purpose and to whom the lending institutions have aggregate exposure of not more than Rs. 50 Crore as on March 31, 2021.
- d) Small businesses, including those engaged in retail and wholesale trade, other than those classified as micro, small and medium enterprises (MSME3) as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than Rs.50 Crore as on March 31, 2021.
- e) Loans which are on the LICHL's book as on 31st March, 2021.

3) Is it mandatory for the borrower to avail the resolution plan under Resolution Framework 2.0?

No, it is not mandatory for the borrower to avail the benefit.

4) How to apply for the restructuring of OTR 2.0?

Customers will have the choice to apply for OTR 2.0 via Company's website or through any of our Offices viz., Area Office/Back Office/Regional office.

5) How do I avail benefit of OTR 2.0 through on-line?

You may visit our website www.lichousing.com and Login the OTR 2.0 page through Loan Account No. and other validation credentials. Fill in the Application with relevant details and upload the basic documents.

Note: The link for on-line application will be updated shortly

6) Can I apply multiple times?

No. You can apply for restructuring only once.

7) How to apply for OTR 2.0 in case I have more than 1 loan (on same property or different properties) ?

Application for OTR 2.0 should be made for each loan account separately.

8) How the acceptance and Approval is communicated to the Applicant?

Communication will be sent by text message/ email on the registered mobile number / email.

9) Will opting for the restructuring package have an impact on my credit bureau report?

As per regulatory guidelines, your loan/credit facility will be reported to the credit bureau as "Restructured".

10) What is the last date of making application for invocation of the resolution plan under Resolution Framework 2.0?

The last date of making application for the resolution plan under Resolution Framework 2.0 is 31st August, 2021.

11) What is the last date of invocation?

The last date of invocation for resolution plan under Resolution Framework 2.0 is 30th September, 2021.

12) Do I need to prove that the income/ salary is affected?

Yes, You need to submit documents proof regarding decline in income/ salary and the cash flows for the future repayments.

13) What are the restructuring options available to the borrower?

Resolution plan under Resolution Framework 2.0 shall include rescheduling of payments of instalments/EMIs of loans, extension of the residual tenor of the loan, with or without moratorium, by a period not more than two years, granting of moratorium based on income streams of the borrower.

Compromise settlements are not permitted under Resolution Framework 2.0 as a resolution plan.

14) Can the loan account which was restructured earlier (under OTR 1.0) be restructured once again under Resolution Framework 2.0 provided they fulfil the basic eligibility criteria.

If full benefit of 24 month tenor extension was not availed in the Resolution Framework 1.0, LICHFL may evaluate and provide relief to the extent of overall tenor extension of 24 months.

The overall caps on moratorium and/or extension of the residual tenor granted under Resolution Framework 1.0 and Resolution Framework 2.0 combined, shall be two years.

15) What types of credit facility (ies) are NOT ELIGIBLE for restructuring?

- a) Exposure to other HFCs would not be eligible for OTR 2.0.
- b) Borrowers who have committed frauds/malfeasance/wilful default,
- c) Loan accounts where fresh disbursements (including subsequent disbursements) have been made on or after 01.04.2021.

16) What are the documents to be submitted by the Borrower to LICHFL for availing the resolution plan under Resolution Framework 2.0?

The Borrower is required to submit the documents mentioned under the Board Policy uploaded on LICHFL's website www.lichousing.com for availing the resolution plan under Resolution Framework 2.0 or any other documents as required by LICHFL.

17) Can restructuring be done for partial outstanding credit facility?

No, restructuring of partial outstanding is not permitted.

18) What is the timeline for implementation of the resolution plan?

The resolution plan should be finalised and implemented within 90 days from the date of invocation of the resolution process. The resolution plan shall be deemed to be implemented only if the following conditions are met:

- a) All related documentation, including execution of necessary agreements between LICHFL and Borrower and collaterals provided, if any, are completed in consonance with the resolution plan being implemented;
- b) The changes in the terms of conditions of the loans get duly reflected in the books of LICHFL; and,
- c) Borrower is not in default with LIC HFL as per the revised terms.

19) If the borrower has applied for restructuring, can it be considered as having been accepted and implemented by LICHFL?

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, LICHFL will review the application on the basis of its internal policies. Thereafter, LICHFL will communicate the acceptance of the application along with the terms thereof or the rejection of the application within 30 days of receipt of such application.

20) Is there any processing fee and interest rate revision if I opt for OTR 2.0 ?

Appropriate processing fees/Additional Rate of Interest may be charged to borrowers availing restructuring under this Framework.