

MORATORIUM

Frequently Asked Questions

1. What is a moratorium?

A moratorium is when your loan repayment is temporarily deferred for a specified period. During this time the borrower is not required to make any payments, and this will have no impact on customers' credit records. Interest will continue to accrue on the repayments that are deferred and customers will need to honour the deferred repayments in the future. Repayments will resume after the deferment period. Many governments and banks are offering a moratorium to support the economy and address challenges faced as a result of the COVID-19 outbreak.

2. Will the moratorium benefit all customers?

The moratorium will be beneficial for customers who are facing difficulties in making monthly repayments during this challenging time.

3. How long is the moratorium period? Why is it only 6 months?

Bank of Maldives is offering a moratorium period of 6 months for personal and business customers as a result of the COVID-19 outbreak. We believe 6 months is a reasonable period of time for the current situation but we will continue to assess this and make changes if necessary.

4. What type of loans are applicable and what are excluded under the moratorium?

All loans/financing facilities including personal, housing and business loans of BML. The moratorium excludes credit cards, overdraft facilities and BML Islamic Murabaha facilities.

5. How does this moratorium work?

- First 6-months: you will not have to pay anything, but you will continue to be charged interest, payable later after the moratorium period. The interest charged will not be compounded, ie interest on interest will not be charged.
- Next 6-months: you will have to pay 20% less than what you now pay for your loan repayment
- Remaining tenor: the interest charged during the first 6 months will be added to the outstanding loan amount and spread for the remaining duration of your loan.
- An additional 6 months will be added to your tenor.

These are the set terms for the moratorium and cannot be changed.

6. Will I be charged interest during the moratorium period?

Yes, simple interest will continue to be charged on the outstanding balance but you are not required to make any repayments until the end of the moratorium period. During the moratorium period, the Bank will not be compounding interest for these loans i.e. it will not be charging interest on interest.

7. Why is the Bank charging interest during the moratorium?

With the unique situation we are in as a result of COVID-19, the Bank has looked at international best practices while abiding by international accounting standards. Most banks around the world have deferred payments during the moratorium period. As a way to support our customers even further, the Bank has taken an additional step to not charge compound interest, ie interest on interest, during the moratorium period.

8. What would happen to my repayments after the moratorium period?

Interest will be charged on loan repayments that are deferred. The interest charged and the principal amount during the 6 months period will be added to the outstanding for the remaining duration of your loan. Tenor for all loans has also been extended for a further 6 months.

9. Am I eligible?

Because the effects of COVID-19 are far reaching and has impacted all industries directly or indirectly, all Bank of Maldives customers with personal or business loans are eligible for the moratorium. The only condition is that your overdue amount should not be beyond 30 days. Credit cards, Overdrafts and Islamic Murabaha are not included.

The moratorium is available for all loans with Bank of Maldives as of 19th March 2020 (Note: Minister of Finance, Minister of Economic Development and the Governor of MMA announced at a press conference on 19th March that a moratorium would be offered to all Bank of Maldives customers).

10. When can I apply for the moratorium?

Customers can apply for the moratorium until end of September 2020 and should not have more than 30 days overdue at the time of application.

11. Can all BML customers apply for the moratorium?

Bank has opened up the opportunity to apply for moratorium for all customers.

12. How do I apply?

Click the Moratorium button on the website which will take you to a separate page to log-in. On this page, enter any of your account numbers and follow the instructions.

If you face any issues during log-in, please call our Contact Centre at 3330200.

13. When can the moratorium be availed?

This is available for customers from the date of announcement until the end of September 2020. Customers can request for a moratorium at any time during this period. The moratorium will start from the month of application and your overdue should not be beyond 30 days.

14. Will all customers get a 6-month moratorium?

Yes. The moratorium will begin from when you apply, and will be in effect for 6 months.

15. Will this be applicable for all my loans?

This can be applied to all your BML loans, if you wish.

16. Can I repay my loan early although I have opted for the moratorium?

Yes. As interest is charged during the moratorium, it may be more worthwhile to continue with your loan repayments or pay any amount if you are able to, at any stage of the moratorium.

17. Will there be a negative impact on my credit history or credit score?

No, the moratorium will not impact customer credit history if the customer honours the deferred repayments in the future.

18. I have unpaid overdue amounts on my loan, will I still be eligible?

If you have unpaid overdue amounts beyond 30 days, you will be eligible to apply (application page will be available within one day) once you settle your overdue loan payments. When considering overdue amounts, the Bank will not take into account any other overdue, eg your credit card or any of your other loans.

19. If I have a non-performing loan (i.e. overdues more than 90 days) or my loan is in the court recovery process, will I still be eligible?

Yes. If you pay all unpaid overdue amounts, you will be eligible to apply once you settle your overdue loan payments.

20. If I have an overdue on my credit card, can I apply for a moratorium on my other loan(s)? When considering overdue amounts to consider your eligibility for the moratorium, the Bank will not take into account any of your other overdues eg your credit card or any of your other loans.

21. How long after I pay the outstanding will the loan be available/eligible for the moratorium? Once a payment is made, any loans that become eligible for the moratorium will be shown on the page within one day.

22. Will the interest rate change?

There is no change to interest rate.

23. Will the tenor or loan repayment period change?

An additional 6 months will be added to the tenor as part of the moratorium.

24. Can I refinance during the moratorium period?

It is possible to refinance during the moratorium but you will not get the benefit of the moratorium. The new loan will have regular monthly installments.

25. Can I cancel the moratorium?

No. The moratorium is in effect a new facility with new terms and conditions. As with all loans, customers can apply to refinance this.

26. Can I apply for a new loan during the moratorium period? Yes.

27. The 6-month moratorium may not be enough for my business – what other options do I have? In addition to the 6-month moratorium, there is a 20% reduction in loan repayments for an additional 6-months. If you need additional financing or relief measures, please reach out to us as we understand this is a difficult time especially for customers with bigger loan/financing facilities.

28. Are there any fees or charges associated with the moratorium?

No fees and charges are applicable for customers wishing to take the moratorium.

29. What will happen to the March repayment, will it be automatically deducted?

March repayment will be auto-deducted but if a customer applies for the moratorium before 15th April, this will be refunded.

30. When will I get the refund?

All refunds will be processed before the end of the month. Where additional documents are required, the signed Sanction Letter and supporting documents should be sent to the Bank by 23rd April.

31. What does the Bank consider as the payment due in March?

For Lui loans, the payment due by 7th April. For others, end of March.

32. If there was an advance payment by the customer for March (or at the time of application), will that be refunded?

Yes, if there was an installment paid for the previous month, this will be refunded.

33. If I have paid a significant amount in advance, what will happen to the moratorium? Your revised repayment schedule is based on your current outstanding amount and takes into consideration any payments made in advance. Payments made in advance will not be refunded.

34. I've already paid my due payments for March. If I apply for the moratorium, will this be refunded?

Yes, if you apply before 15th April. All necessary documents such as signed Sanction Letters must be submitted before 23rd April.

35. How do customers calculate and apply interest during the 6 month moratorium since it is not compounded interest?

When you log-in, you will be able to see your individual loan details including your current and revised repayment schedule.

36. What happens to the grace period on my loan if I apply for a moratorium?

If you apply for the moratorium with less than 6 months remaining in your grace period, the grace period will be included in your moratorium period.

If you apply for the moratorium with more than 6 months remaining in your grace period, any period over 6 months will remain as grace.

Application Process

37. How do I log-in?

Click on the “Moratorium” button on the BML website and log-in using any of your account numbers.

Your account number is available on internet and mobile banking, at ATMs or printed on your cheque book.

38. Why are my OTP channels not available?

Your OTP channels will be available if we have an associated mobile number and/or email address. If this is not available, please call our Contact Centre at 3330200.

39. Once I apply for the moratorium for Lui loans and other unsecured loans, do I need to do anything else?

Once you agree to the terms of the moratorium, you need not do anything else. The moratorium will come into effect and your repayments will be deferred. You will receive a confirmation email within 7 calendar days.

40. What happens to secured loans with multiple borrowers?

Once you agree to the terms of the moratorium, we will send you a revised Sanction Letter within 10 calendar days. This needs to be signed by all parties (borrowers, mortgagors and guarantors) and returned back to us within 10 calendar days.

This can be signed, scanned and emailed to us at moratorium@bml.com.my. You will not be required to visit our branch.

If we do not receive the signed Sanction Letter within 10 calendar days, the application will be automatically cancelled. If you wish to reapply, please call the Contact Centre.

41. After applying for the moratorium, will I be able to see my loan account balance on internet banking?

Yes. Your loan balance is available on internet/mobile banking. Interest that is accrued daily to your loan during the moratorium will be added to this. You will not be required to pay this for the period of the moratorium, and this is only displayed for your information.

42. Why has my monthly repayment amount after the moratorium increased?

We have introduced the moratorium for our customers as a way of easing the immediate financial burden of repaying loans. Repayments are deferred during the moratorium and spread over the remaining period of your loan, and is therefore reflected as an increase in your repayment.

How this works:

- By arranging this moratorium, we are deferring the principal amount and interest amount in the first six months.
- During this period, we will not be compounding interest, ie we will not be charging interest on interest. Monthly interest will be calculated for the loan outstanding amount for the moratorium period of 6 months.
- For the next six months you will have to pay 20% less than what you now pay for your loan repayment
- Total interest accrued at the end of the moratorium period will be added to the loan amount and spread over the remaining period of your tenor. This results in an increase in your monthly repayment amount. To ease the burden on you, your loan repayment period is also extended by 6 months.

43. Is there any other way I can get help?

We want to reassure you that we are here to help and we are doing our best to support you during this challenging period of time. As you do not have to worry about making loan repayments during the 6-month moratorium period, we hope this will provide some relief for the next few months ahead. If you need, or if you think you may need assistance beyond the moratorium, please reach out to us in order for us to provide additional options to alleviate the interest burden.

