FAQ: COVID-19 Support to Households

1st April 2020

1. **What is the definition of a "household"?**
   A household comprises husband and wife jointly, or a single parent.

2. **What is a household loan and which credit facilities are concerned?**
   Household loans include all existing rupee loans which have been disbursed to a Household by a commercial bank. Overdrafts, credit cards and other credit facilities are not included. Other credit facilities would include, amongst others, leasing facilities and other such facilities that do not reckon as a loan.

3. **Who are those eligible to apply under the schemes (Category 1 and Category 2)?**
   Households having household loans with SBM and who have been adversely impacted by COVID-19. All applications should be supported by last payslip of the household AND Letter from employer indicating that the employee's salary has been reduced or that the employee is otherwise impacted by COVID-19 or any other evidence acceptable to the bank.
   Few examples are listed out below:
   - loss of job due to companies closed down or reduced business (Evidence: letter from employer, company search)
   - reduced salary based on the customer's terms of employment (Evidence: letter from employer / bank statements)
   - Loss of income due to inability to perform usual activities by reason of Curfew for e.g. hawkers, shopkeepers, restaurants, mason, professionals (Evidence: bank statements)
   - Business slowdown impacting a self-employed or entities causing temporary redundancy (Evidence: letter from employer / bank statements)

4. **What is the difference between Category 1 and Category 2?**
   Both categories concern households which have been adversely impacted by COVID-19 and where the borrower's loan has been well serviced as at date in our books with no arrears. However Category 1 pertains to households earning a combined monthly basic salary up to Rs 50,000 where the Bank of Mauritius will bear the interest payable for the period 1st of April 2020 to 30th of June 2020 and an additional 3 months moratorium on capital repayment will be granted by SBM. Category 2 concerns all the other households not meeting criteria under Category 1 and they will benefit from 6 months moratorium on capital repayment only.

5. **Is this scheme applicable to self-employed as well?**
   Yes, it is applicable for all existing household loans taken by Self Employed. Eligibility criteria with regards to salary for self-employed will be assessed based on existing criteria used by the bank for assessing credit worthiness of self-employed that is salary, turnover or MRA return (if available).

6. **What is the effective date of measure to households?**
   The measure for Category 1 is effective as from 1st April 2020 whereas for Category 2, it is effective as from the month in which request has been submitted to the bank.

7. **What about the loan repayment for the month of March?**
   Capital repayments and interest payments for March 2020 remains operational, i.e. needs to be paid by the client.

8. **How do I apply for this scheme?**
   If you have been adversely impacted by COVID-19 and wish to apply for this scheme, please download the Application Form from SBM's website. Once the form has been duly filled and signed, you can submit same along with your supporting documents to the following email address: covid19loansupport@sbmgroup.mu or submit same at any SBM branch which is open.
   Once we receive your application, our team will assess your household situation to analyse whether you have been hit by COVID-19 before acceding to the request.

9. **How will I know whether my request has been approved or declined?**
   Once your request has been assessed, our staff will get in touch with you to communicate the bank's decision in relation to your request.

10. **What will happen once my request has been approved?**
    Upon approval, an addendum to your existing facility agreement (including the terms and conditions under this scheme) will be submitted to you and a copy will be kept at the bank.
    Your existing loan repayment period will be extended by 6 months to allow you to repay the capital amount you have been exempted to pay during the moratorium period.

11. **How will my loan repayment schedule change once my request has been approved?**
    If you fall under Category 1, and submit your request in the month of April 2020, below is how your repayment schedule will look like:
    - April, May and June = no interests + no capital repayments
    - July, August and September = no capital repayments but you will have to service the interests
    - October onwards = interests + capital repayments till the extended expiry date of your loan

    If you fall under Category 1 and submit your request in the month of May 2020, below is how your repayment schedule will look like:
    - May and June = no interests + no capital repayments
    - July, August, September and October = no capital repayments but you will have to service the interests
    - November onwards = interests + capital repayments till the extended expiry date of your loan

    If you fall under Category 1 and submit your request in the month of June 2020, below is how your repayment schedule will look like:
    - June = no interests + no capital repayments
    - July, August, September, October and November = no capital repayments but you will have to service the interests
    - December onwards = interests + capital repayments till the extended expiry date of your loan

    If you fall under Category 2, irrespective of when you submit your request (prior to 30 June 2020), your repayment schedule will be as follows:

- 1st 6 months as from month of request = no capital repayments but you will have to service the interests
- Subsequent months = interests + capital repayments till the extended expiry date of your loan

12. Will I be eligible if my loan is currently in arrears?

No, but you can send us your request with justification and supportive documents so that we can get back to you with a solution in line with our existing collections and recovery process.