

Frequently Asked Questions (FAQs) on Automatic Moratorium

No.	Question	Answer
1.	What is the automatic moratorium of financing payment?	<p>It is a temporary deferment or suspension of financing payment obligation (principal and profit) for a limited period of time. During this period, customers with financing that meet the conditions do not need to make any payment, and no late payment charges or penalties will be imposed.</p> <p>Profits will continue to accrue on financing payments that are deferred and customers will need to honour the deferred payments in the future. Financing payment resumes after the moratorium period.</p>
2.	What is the objective of the automatic moratorium?	<p>The aim of this moratorium is to provide relief to individuals and businesses that face temporary financial constraints arising from the COVID-19 pandemic. We hope that this will help individuals and businesses facing financial adversities to cope with challenges during this period. Financing payment resumes after the moratorium period.</p>
3.	Which financing qualifies for the moratorium?	<p>For individuals and small and medium enterprises (SMEs), the moratorium in Islamic financing payment obligations (except for credit cards) is automatically effected by Bank Islam Malaysia Berhad ("the Bank") if the financing meet these criteria:</p> <ul style="list-style-type: none"> a) not in arrears exceeding 90 days as at 1 April 2020; and b) denominated in Malaysian Ringgit. <p>Meanwhile, corporate customers may request for a moratorium on financing payment from the Bank.</p>
4.	Can I ask for more than 6 months moratorium?	<p>The moratorium is only valid for 6 months. Please contact the Bank's Contact Centre if you require assistance.</p>
5.	If I opt for the moratorium, will my CCRIS records be adversely affected?	<p>No. However, customers are advised to contact the Bank's Contact Centre to discuss on how to resume payments after the moratorium period.</p>

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6.	Do I need to apply?	No. All individuals and SME financings (excluding credit cards) that meet the criteria will be qualified automatically for the moratorium to take effect on 1 April 2020.
7.	My financing is in default, can I qualify? Can financing under rescheduling and restructuring (R&R) programme be eligible for the moratorium?	<p>Financing accounts that are already more than 90 days in arrears, will not qualify for the moratorium. Customers are advised to approach the Bank's Contact Center to seek assistance.</p> <p>Financing under R&R programme is also eligible for the moratorium subject to meeting the criteria.</p>
8	How is the moratorium different from the other financing/ loans moratoriums announced by some banks recently?	<p>Banks and development financial institutions (DFIs) have been proactive in responding to the needs of their customers with various rescheduling and restructuring packages offered to assist affected customers. Such efforts are welcomed and encouraged during these challenging times.</p> <p>Customers that have accepted assistance from banks and DFIs to reschedule and restructure their financing can opt out of such arrangement, if they wish to do so.</p>
9	Which banks offer this moratorium package?	All licensed banks, licensed Islamic banks and prescribed development financial institutions (DFIs) regulated by BNM will offer this deferment flexibility. Customers that meet the eligibility criteria can avail themselves to this flexibility automatically.
10	How do I know the Bank has enrolled my financing into the moratorium period? How do I know if I have qualified?	<p>The Bank will provide individuals and SME customers with adequate information that your financing payments have been deferred under this scheme.</p> <p>Such information may be provided through a general advisory issued to customers through appropriate channels, and/ or published on our websites.</p>
11	I want to continue with my financing payments. How do I opt-out of the automatic moratorium?	You should contact the Bank's Contact Centre if you wish to opt-out of the automatic moratorium, or continue to make timely and full payment of your financing.

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12	<p>I work in the tourism sector and have been badly affected by recent events, I have been struggling to meet my monthly property financing payments since January and my savings are soon running dry. Do I qualify for the moratorium?</p>	<p>Yes, provided that your financing is not in arrears for more than 90 days as at 1 April 2020.</p>
13	<p>I run a small business which has been severely affected by COVID-19, if business does not improve, I will soon be defaulting on my car and personal financing? Do I qualify for the moratorium?</p>	<p>Yes, provided that your financings are not in arrears for more than 90 days as at 1 April 2020.</p>
14	<p>Will I be charged additional profit on the payment amount that is deferred by 6 months during the period?</p>	<p>The profit will continue to accrue on the outstanding principal amount. Such profit however will not be compounded in line with Shariah principles.</p> <p>The Bank will not impose late penalty charges (Ta'widh) on the deferred amount. In other words, the financing payment is just deferred by 6 months.</p>
15	<p>What would happen to my financing payments after the moratorium period?</p> <p>How does being in the moratorium affect my profit payments after the 6-month period? Is there an increase in monthly payments, or longer tenure?</p>	<p>Profit will continue to accrue on financing payments that are deferred. Your instalment will remain the same. However, the maturity will be extended by 6 months.</p> <p>Customers are advised to contact the Bank's Contact Centre to discuss the suitable workout plans to pay the principal and profit accrued during the moratorium period. This may include higher subsequent instalment amount or an extension of the financing tenure.</p>
16	<p>Does this moratorium package apply to newly approved/ disbursed financings?</p>	<p>It applies to all individuals and SME financings outstanding as at 1 April 2020.</p>

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17	Would my financings with other non-bank credit providers qualify for this moratorium?	No, this is only applicable to financing offered by financial institutions regulated by Bank Negara Malaysia, namely banks and development financial institutions.
18	If a corporate opts in for a moratorium, would it still be able to get new financing from banks?	The Bank will facilitate requests for a moratorium in a way that will enable viable corporate customers to preserve jobs and swiftly resume economic activities when conditions stabilise and improve. This may include the appropriate consideration of additional financing to support immediate cash flows and to allow reasonable time for the business to fully recover from the current disruption. The decision for a moratorium and/or additional financing shall be subject to the Bank's internal requisite approvals.
19	As a corporate, what would be the criteria to opt-in?	The criteria for corporate customers to opt for the moratorium include:- a) The financing is not in arrears exceeding 90 days as at 1 April 2020; and b) denominated in Malaysian Ringgit. You may contact any of our officers from the Corporate Banking Division of the Bank for further clarification and discussion.
20	I have a financing which is automatically deducted from my salary. Do I qualify for the moratorium?	Yes. Please inform your company to stop the salary deduction if you wish to have your financing payments deferred.
21	What if I have a Standing Instruction for the payment of my financing?	Please arrange to suspend your Standing Instruction with your respective bank for the moratorium period.
22	How should I notify the Bank that I wish to opt-out of the moratorium offer?	Please respond to the notification issued by the Bank and inform the Bank's Contact Centre that you wish to opt-out of the automatic moratorium package, or continue to make timely and full payment of your financing.

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23	Will the bank automatically stop the payment requirement if I did not respond to their notification?	Yes.
Conversion of Credit Card Balances into a three (3) years Term Financing (Conversion)		
24	I have two credit cards with big amounts outstanding, and I was retrenched in January. I have not been able to meet my credit card monthly obligations since January and am very worried of the consequences. Will I qualify for the conversion of these outstanding balances into term financings? How does it work? Do I need to call the Bank to effect this?	If you have been unable to meet the minimum monthly payment on your credit card consecutively for the last 3 months, the Bank will convert the outstanding balance (principal only) into a term financing of not more than 3 years at an effective profit of not more than 13% per annum.
25	I heard that the Bank will now provide automatic conversion of credit card balances into term financing, but I have a monthly salary of about RM5,500. Will I qualify for this moratorium?	The Bank will convert the outstanding credit card balances of cardholders who are unable to meet the minimum monthly payment consecutively for the last 3 months, regardless of the income levels of the cardholders.
26	Can credit cardholders who have converted their card balances into a term financing immediately ask for 6 months moratorium of financing payment?	Yes, you can. Financing payment resumes after the moratorium period.
27	If my credit card outstanding balances is converted to a term financing, can I still use my credit card?	Yes, you can continue to use the credit card up to the remaining credit limit after taking into account the balance converted into a term financing. The outstanding balance converted into the term financing is treated as part of the credit card limit. In addition, the monthly term financing instalments forms part of the minimum monthly payment amount.

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28	Can the financing under AKPK programme be eligible for the deferment?	Yes, account under AKPK is eligible for auto moratorium.
29	How does the deferment package affect financing tenure and Takaful coverage?	The Bank will extend the financing tenure up to 6 months and there will be no Takaful coverage during this extended period.
30	Can the customer request for more than 6 months deferment period?	If the customer unable to continue the monthly instalment after expiry of moratorium period, the Bank will offer Rescheduling of the financing. Alternatively customer can apply for an assistance from AKPK.

Kindly contact:

Contact Centre & Customer Care Department

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