

Frequently Asked Questions on Payment Holiday for impacted COVID-19 (Coronavirus) customers of Personal Loan, Car Loan and Home Loan

Q: What is a Payment Holiday?

A: A Payment Holiday is a feature you may request (subject to eligibility) on your Loan (Personal Loan and/or Car Loan and/or Home Loan) whereby your installment will be postponed until the immediate subsequent month or other otherwise agreed by the bank.

Q: Which products can I apply for a Payment Holiday on?

A: You can apply for a Payment Holiday on your Personal Loan, Car Loan and Home Loan.

Q: Why is HSBC offering a Payment Holiday to customers?

A: We are going through an unprecedented situation with COVID-19 impacting all of us globally. HSBC UAE is supporting its customers by offering the payment holiday in order to remove the financial burden of repayments from customers. This is a short term option whereby you are not required to make any repayment of installments on your loan(s) during the payment holiday period.

Q: Who can request a Payment Holiday?

A: You can request a Payment Holiday if you are directly and/or indirectly impacted by COVID-19

- Directly Impacted:
 - o Customer was tested positive for COVID19
 - o One of the customer's family members / friends who share the same accommodation is tested positive for COVID and customer is quarantined for 14 days
- Indirectly Impacted:
 - o Customers' salary is reduced due to unpaid leave and/or employer decision due to COVID19
 - o Customer is currently outside the UAE and not able to return due to travel restriction

Q: Will I be eligible to apply for a Payment Holiday if I am not a UAE resident?

A: The payment holiday option is available only for UAE resident customers of Personal Loan and Car Loan. For Home Loan customers, Payment Holiday is offered to both UAE residents and non-residents.

Q. How do I apply for Payment Holiday?

A: You may apply for Payment Holiday by calling us, submitting an application and providing us with any supporting documents we request from you. We will evaluate your request based on the information you have provided us when applying, the most up to date information we have on you in our records and from the Credit Bureau's. You must let us know immediately if any of this information changes (either when applying or during the Payment Holiday) as it may impact our decision resulting in you no longer being eligible and we may withdraw the Payment Holiday

Q: What happens with my Bureau reporting?

A: There will not be any negative reporting to the UAE Credit Bureau due to nonpayment of your loan installments during the Payment Holiday. If payments are not made after the Payment Holiday, then this will impact their Credit Bureau report as we are under an obligation to report nonpayment.

Q: If I already applied for a Payment Holiday, can I renew it?

A: For previously booked payment holidays, you may request for an extension which will be subject to review and applicable terms and conditions.

Q: If I lost my job, can I apply for a Payment Holiday?

A: In case of job loss, we will be providing alternative financial solutions other than the Payment Holiday option which will be discussed with you once the request is raised.

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Q. Can I apply for a Payment Holiday for multiple products e.g. Personal Loan, Car Loan and Home Loan?

A: Yes you can apply for a payment holiday for multiple products at the same time.

Q. What documentation is required to apply for a Payment Holiday?

A: You are required to provide a copy of your valid Emirates ID and supporting documents (to our satisfaction) such as a letter from your employer advising reduction in salary or being on unpaid leave due to COVID-19 impact.

Q: Are there any applicable fees on the Payment Holiday?

A: No processing fees are applicable on the Payment Holiday provided to customers as a result of the COVID19 situation

Q: For how long is the Payment Holiday provided?

A: The Payment Holiday is provided to customers for a period of up to 3 months.

Q: Can I apply for a Payment Holiday for a longer period than 3 months?

A: We are currently offering up to 3 months Payment Holiday. You may apply for a renewal of Payment Holiday on your Loan(s) which will be reviewed based on the eligibility criteria at the time of request, however for Credit Cards, alternative options will be offered to you post the completion of the 3 months Payment Holiday period. Please refer Credit Card FAQs for more details.

Q: Will there be an impact on my monthly installment post the Payment Holiday period?

A: There will be no change in your monthly instalment post payment holiday period however the tenor of your loan will be extended

Q: Will there be an impact on my interest rate during Payment Holiday?

A: No the interest rate on Personal Loans and Auto Loans will remain unchanged during the Payment Holiday period. The interest rate on Home Loan may change as per Terms and Conditions on quarterly basis for variable rate Home Loans in line with changes in EIBOR rate but will not change due to the provided Payment Holiday.

Q: Will there be an impact on my total interest payment during the loan tenor?

A: Yes, the overall interest payable to the bank will increase due to the fact that there is an accrual of interest during the Payment Holiday period.

Q: Will there be an impact on my remaining loan tenor by applying for a Payment Holiday?

A: Yes, due to the fact that there will be a complete payment freeze for up to 3 months and accrual of interest, this will result in an extension in the tenor of the loan.

Q: Can I request for a Payment Holiday for an instalment due within next few days?

A: For any instalment to be included in the Payment Holiday you must need to apply at least 7 working days in advance of instalment due date. In case of a request raised in less than 7 working days of due date, then Payment Holiday will be applicable from the following installment onwards.

Q: What happens if I have a standing instruction (SI) and applying for a Payment Holiday?

A: The SI will be suspended during the Payment Holiday period. This will be reinstated after the end of the Payment Holiday period.

Q: Can I make pre-payments to settle my loan during the Payment Holiday period?

A: Yes, customers can settle their loans during the payment holiday period subject to terms and conditions.

Q: Will there be any settlement charges for pre-payment of loans during Payment Holiday period?

A: No, we have waived early settlement charges on loans which is 1% or AED 10K (whichever is lower) during the Payment Holiday period for impacted customers.

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Q: How will I be notified when the Payment Holiday is booked?

A: We will notify you through email once the payment holiday is booked advising the Payment Holiday details and commencement date.

Q: Can I cancel my Payment Holiday?

A: You will only be able to cancel your Payment Holiday 5 days in advance of your monthly installment otherwise we will not be able to cancel the payment holiday for the respective month

Q: Do any other Terms Apply?

A: Yes, in addition to the HSBC UAE Payment Holiday Terms & Conditions, your respective loan product terms and conditions and HSBC General Banking Terms and Conditions (UAE) will apply. You can find the details on our website www.hsbc.ae

Q: How long will the request for Payment Holiday take to complete?

A: We endeavor to process your payment holiday request within 3 to 5 Working Days after we confirm our approval of the Payment Holiday to you

Q: Can I request to change my installment date during Payment Holiday?

A: No – the Payment Holiday provides you with a short term break for making repayments towards your outstanding loan(s) and no change can be made during this period. Please do contact us if you would like to change your payment date after your Payment Holiday