

HSBC Bank Middle East Limited

Loans Payment Holiday Terms & Conditions

These Terms & Conditions are for customers who have an HSBC UAE Personal Loan and/or Home Loan and/or Auto Loan and applied for a Payment Holiday due to Covid'19 impact. Please ensure that you read these Terms & Conditions carefully and in conjunction with the relevant Terms and Conditions applicable to your product.

Notwithstanding any relevant Payment Holiday terms included under any of your existing loan documentation, the Payment Holidays Terms and Conditions below shall prevail as applicable on your Personal Loan or Home Loan or Auto Loan.

Glossary:

Confirmation Letter: means the letter (including in digital form) we provide you after the commencement of your payment Holiday, which confirms the start/end date of your Payment Holiday Month.

Payment Holiday: is a feature you may request during the Loan Period (subject to eligibility) whereby your Instalment will be postponed until the immediate subsequent month or as otherwise agreed by the Bank in writing. See clause 2 for more details.

Payment Holiday Application Form: means any application form (either in paper form or online) you complete in order to apply for a Payment Holiday.

Payment Holiday Month: means the period as specified in your Payment Holiday Application Form, as confirmed by the confirmation email, during which an Instalment due has been postponed.

1. Interest will continue to accrue on the outstanding balance of your loan during the Payment Holiday period with the accrued interest to be paid after the end of the Payment Holiday period as part of the monthly loan installment due.
2. The monthly loan installment will remain the same amount after the Payment Holiday period* while the number of Instalments will change, and therefore your Loan Period will increase when you have taken Payment Holiday. As a result, your last installment might differ depending on the number of days of the corresponding installment month.
3. Your final Instalment may be different. This may happen, for example where (i) your previous Instalment was due on a non-working day and therefore paid on a later date; (ii) interest has accrued on the additional day in the leap year; (iii) where you elect to pay your first Instalment after a period of one month (iv) you do not make your instalment payments on time. We would therefore encourage you to request a Loan Schedule from us (as detailed above) or to contact us closer to the end of your Loan Period so that we can advise you of the details.
4. You are entitled to apply for a Payment Holiday as per your request by submitting the Payment Holiday Application Form to us. A Payment Holiday shall be at our sole discretion and subject to our eligibility criteria (which may change over time), and satisfactory receipt of any documentation we have requested from you and your compliance with these terms. We reserve the right to withdraw any Payment Holidays if any of the information you have submitted to us, or your circumstances change, such that you are no longer eligible.
5. The contents of this document does not constitute a waiver of the Bank's rights and remedies pursuant to the original applicable Loan Terms and Conditions or otherwise provided for by law. The Bank shall remain entitled to enforce the original Loan Terms and Conditions.
6. This document is governed by the Federal Laws of the United Arab Emirates. You agree that any disputes relating to this document shall be subject to the procedures as set out in the dispute provisions of the original applicable Loan Terms and Conditions.
7. 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.

* Please note that the monthly installment amount might change after the Payment Holiday period in line with the applicable interest rate for EIBOR based Home Loans or for Fixed Interest Rate Home Loans where the Payment Holiday is given during Variable Interest Rate Period.

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How it works:

After the commencement of your Payment Holiday we will send you a Confirmation Letter, setting out the start and end date of your Payment Holiday Month which you should read carefully to ensure you understand how this feature works, and the Instalments due from you.

The number of Instalments due from you, and therefore your Loan Period, will increase each time you avail a Payment Holiday. The period by which this is extended will depend upon factors including (i) your existing Loan Period, and (ii) the number of Payment Holidays you have availed and (iii) accrued interest during Payment Holiday. At the end of the Payment Holiday Month you will be required to resume payment of your Instalments.

You agree that the overall due interest on the loan will be higher over the tenor of the loan due to the payment holiday period during which the interest will continue to be accrued on the loan.

You agree that any Security Cheque and Direct Debit instructions from other banks in UAE you have provided to us shall continue to apply where you have taken a Payment Holiday.