

# Bank of Montserrat Limited (BOML) COVID-19 Relief Initiative

The Board of Directors at a meeting held April 8, 2020 took a decision to offer a maximum of three (3) months moratorium in the initial phase to our customers who are affected by the Covid Pandemic.

Due to the current lockdown and restricted banking hours, we are only now able to operationalize the Board's Decision.

Bank of Montserrat is closely monitoring the COVID-19 pandemic and knows that COVID-19, may have impacted our customers' ability to comfortably pay their monthly loan commitments.

If you are facing financial hardship and your income may be reduced temporarily, as a result of COVID-19 and you believe you will be unable to make your loan repayments, we are willing to help.

As every situation is different, we are committed to working with our customers on a case-by-case basis to help understand, and hopefully, alleviate, any financial hardship they may be experiencing as a result of COVID-19.

*As a part of our commitment, BOML has developed an assistance program that may allow our loan customers to suspend payments for up to 90 days.*

*Based on our customers' specific loan details and respective financial resources, we are offering our customers the option to:*

- *Defer principal payments for up to 90 days and make interest-only payments during this time.*

**Or**

- *Defer principal and interest payments for up to 90 days.*

*If you choose to defer your payments, interest will continue to accrue on your outstanding balance and will be payable once the deferral period is over. In the fourth month, when the deferral period is over, your financial status will be reassessed and the necessary measures will be implemented.*

We have prepared a Frequently Asked Questions (FAQ) sheet below to further provide information about this new initiative.

# BOML COVID-19 Frequently Asked Questions

## **If my finances are being impacted, will Bank of Montserrat provide any financial assistance to me?**

As we have done in the past, we are willing to work with customers experiencing financial hardship as a result of the COVID-19 pandemic.

## **How do I find out if I qualify for relief measures?**

If you, or any member of your family, have become unemployed or experience a material reduction in your income due to the COVID-19 pandemic, you may be eligible to qualify for BOML's relief package. We will be working with our customers on a case by case basis to make sure that we find workable solutions that will help address the financial hardship caused by COVID-19 pandemic. We may, at our discretion, ask for further supporting information or documentation to confirm your eligibility, if we require additional information you will be notified.

## **What is a Moratorium?**

The moratorium is a deferment/postponement of your monthly loan payment, which includes the principal and interest or the principal only for a period of 1-3 months in the first instance beginning on the date of acceptance. It is not a write-off of the principal and interest for the three month period. You will still be required to pay the principal and interest after the moratorium.

## **Do I automatically qualify for the moratorium?**

No. Requests for moratoriums will be reviewed on a case by case basis and will generally be granted based on your circumstance and good account standing. Exceptions will apply, for example loans in arrears in excess of 89 days prior to March 01, 2020 will not qualify for a moratorium.

## **Are our business customers qualified under this initiative?**

Yes. The moratorium will be available to business customers for three months as they would all be impacted in one way or another.

## **I am still receiving my full salary, can I still qualify?**

Only under strict conditions. Where a customer remains gainfully employed but a member of the immediate family was diagnosed with the COVID-19 virus resulting in additional medical cost the moratorium **may** be extended providing the customer can provide adequate supporting documentation.

**If I am overseas, who do I contact if I have experienced sudden job loss due to the pandemic?**

You can email [manager@bankofmontserrat.ms](mailto:manager@bankofmontserrat.ms) or call 1-664-491-3843.

As we work to address the needs of our customers who are financially impacted by the COVID-19 situation, it may take longer than expected to receive a call back regarding your loan due to the number of requests we are receiving. We truly appreciate your patience.

**What do I include in my relief letter?**

We will need to understand your unique situation to be able to consider your payment deferral request and discuss your options.

Please include in your letter:

- The reasons why you are in financial hardship
- An explanation of how and when your situation will improve.
- Whether you can make any repayments to your loan and over what period
- Please provide a statement of financial position, which sets out your income and expenses, as well as relevant supporting documents.

**Can I apply for this relief option via phone?**

No. We will only act on written requests.

**I am a small enterprise, can I apply?**

Yes. Businesses who are interested in a payment deferral must apply to benefit from this moratorium.

**What is the payment deferment of loan repayment?**

It is a temporary suspension of loan repayment obligation (principal and/or interest) for a limited period.

During this period, borrowers who meet specific conditions may not need to make a monthly repayment, and no late payment charges will be imposed. Interest will continue to accrue during the period of the moratorium. You have the following options:

1. Continue to pay the interest during the moratorium; or
2. Suspend interest payments during the moratorium. However, at the end of the moratorium period the accrued interest will need to be capitalized with an applicable monthly payment, for orderly liquidation of the loan.

**What is the objective of the deferment arrangement?**

This package aims to provide some relief to our customers who face temporary financial constraints arising from the COVID-19 pandemic.

**Is a mortgage payment deferral the same as mortgage forgiveness?**

No, they are different. A mortgage payment deferral means that payments are skipped for up to 3 months, during which time interest is accrued to the outstanding balance of the mortgage. The amount is incorporated into the monthly payment when mortgage payments resume at the end of the deferral period.

**Mortgage forgiveness**, by comparison, means that a lender cancels or forgives part of the debt. Bank of Monserrat is extending mortgage payment deferrals, not mortgage forgiveness.

**Can I ask for more than 3 months of deferment?**

No. The deferment is only for 3 months in the first instance. At the end of the 3 month period, your current financial situation will be re-assessed.

**If I opt for the deferment, can I access a new loan financing during the deferment period?**

No.

**Are there any fees or penalties for deferring payments?**

No, there are no fees or penalties for deferring payment(s).

**Will I be charged additional interest on the repayment amount that is deferred by 3 months during the period?**

Yes. Interest will continue to be charged on the outstanding balance comprising of both principal and interest portion (i.e. compounded) during the moratorium period. Interest accrued during the deferment period may include a higher subsequent installment amount or an extension of the loan tenure.

**What happens when the financial relief period ends?**

Your mortgage payments will revert to a monthly repayment schedule as per the agreed terms of your Mortgage Agreement. Upon renewal, your mortgage will be re-amortized, and payments will be recalculated based on the outstanding balance at the time. Your current loan payment amount may be increased.

**Does this deferment package apply to newly approved or disbursed loans?**

It applies to all loans and overdrafts outstanding as of March 1, 2020.

**Will the bank automatically stop monthly repayment requirement if I did not request and get approval for a loan deferment.**

No. Your monthly payment will continue if you did not apply and granted approval for a deferment in loan payments. Before skipping payments or otherwise operating in a manner that differs from the terms of a loan, contact us directly. Immediately contact the Bank if you do not think you can pay your bills or loan payments on time. Paying your debts late or not at all can result in penalties, interest charges, and damage to your credit history.

**I have signed up for the Interest-only payments, can I still make repayments during my deferral period?**

Yes. You can make manual repayments at any time during the deferral period and all repayments will help reduce the interest charged and the duration your loan term will be extended by at the end of the deferral period.

**When can I expect a decision on my request for a deferral in payment?**

Bank of Montserrat is committed to providing a response within five (5) working days in receipt of your request providing we have all necessary documentation to assess the request.

**Will I be informed of the changes made to my home loan at the end of the deferral period?**

Yes, you will be contacted at the end of the deferral period to provide you details on how much your loan term will be extended by and your new repayment and the direct debit amount at the end of 3 months.

**Is there a time limit to requesting a mortgage payment deferral?**

The moratorium is available until the current situation normalizes or until such time that the Bank at its sole discretion determines that it is no longer needed.

Please visit our website [www.bankofmontserrat.ms](http://www.bankofmontserrat.ms) to download the Covid-19 moratorium request form, and email the completed form to [manager@bankofmontserrat.ms](mailto:manager@bankofmontserrat.ms).

You can also submit your request in writing addressed to:

The General Manager  
Bank of Montserrat Limited  
P.O. Box 10, Brades, MSR1310,  
Montserrat, BWI

# COVID-19 MORATORIUM REQUEST FORM



FULL NAME: \_\_\_\_\_

CONTACT NO.: \_\_\_\_\_  
HOME MOBILE

EMAIL ADDRESS: \_\_\_\_\_

PHYSICAL ADDRESS: \_\_\_\_\_

OCCUPATION: \_\_\_\_\_ EMPLOYER: \_\_\_\_\_

NATURE OF BUSINESS: \_\_\_\_\_  
PERSONAL OR CORPORATE

MORTGAGE (HOME AND/OR LAND LOANS): \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

COMMERCIAL LOANS: \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

VEHICLE LOANS: \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

OTHER LOANS: \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

I/We wish to apply for the below selected as I/We am/are affected by COVID-19 and have difficulty in paying the current monthly payment for the loans above temporarily:-

- FULL MORATORIUM OF 3 MONTHS (DEFERMENT OF PRINCIPAL AND INTEREST PAYMENTS) WITHOUT ANY LATE PAYMENT FEES.
- PARTIAL MORATORIUM OF 3 MONTHS (DEFERMENT OF PRINCIPAL PAYMENTS ONLY) WITHOUT ANY LATE PAYMENT FEES. NOTE ONLY INTEREST WILL BE PAID OVER THE MORATORIUM PERIOD. THE MATURITY DATE OF LOAN WILL BE ADJUSTED BY THE MORATORIUM PERIOD.

For clients who selected the option Full Moratorium, please select one of the options below:

- AFTER THE MORATORIUM PERIOD, I/WE HEREBY AGREE TO MAINTAIN THE SAME TENURE ACCORDING TO MY/OUR LETTER OF OFFER/AGREEMENT, WITH THE UNPAID AMOUNT OF INTEREST DURING THE MORATORIUM PERIOD ADDED TO THE PRINCIPAL BALANCE OF MY/OUR LOAN, THUS RESULTING IN A HIGHER MONTHLY REPAYMENT.
- AFTER THE MORATORIUM PERIOD, I/WE HEREBY AGREE TO MAINTAIN THE SAME MONTHLY REPAYMENT ACCORDING TO MY/OUR LETTER OF OFFER/AGREEMENT, WITH THE UNPAID AMOUNT OF INTEREST DURING THE MORATORIUM PERIOD ADDED TO THE PRINCIPAL BALANCE OF MY/OUR LOAN, WITH AN EXTENSION OF THE LOAN MATURITY.

\* THIS IS ONLY APPLICABLE IF THE REVISED MATURITY DATE DOES NOT GO BEYOND YOUR RETIREMENT AGE.

## NOTE:

1. Your application for loan repayment moratorium is subject to BML approval and such terms and conditions that BML may impose.
2. You are required to submit the supporting document of a certified /valid medical report on your diagnosis with COVID-19 or a letter from employer indicating employment interrupted due to COVID-19. (Not applicable for commercial customers)
3. You must ensure all information provided on the form is true, complete and accurate. Otherwise, BML may withhold/reject your Application.
4. You will be notified on BML's decision of your Application within five (5) working days after submission of the Application. If you have any inquiry relating to the Application, please contact [manager@bankofmontserrat.ms](mailto:manager@bankofmontserrat.ms) or 491-3843 and speak with one of our Credit Officers.
5. Please e-mail the completed form to BML at [manager@bankofmontserrat.ms](mailto:manager@bankofmontserrat.ms).

I/We hereby agree to the moratorium terms as provided above and that the existing terms under my/our Letter of Offer/Agreement continues to subsist and bind me/us.

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

NAME \_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

Witnessed By: \_\_\_\_\_