

RBI extends EMI moratorium for another three months on term loans

The Reserve Bank of India (RBI) announced an extension of the moratorium on loan EMIs by three months, i.e. August 31, 2020 in a press conference dated May 22, 2020. The earlier three-month moratorium on the loan EMIs was ending on May 31, 2020. This makes it a total of six months moratorium on loan EMIs starting from March 1, 2020 to August 31, 2020.

The extension of three-month moratorium on repayment of term loans by borrowers means that they would not have to pay the loan EMI installments during the moratorium period.

In view of the extension of the lockdown and continuing disruptions on account of COVID-19, it has been decided to permit lending institutions to extend the moratorium on term loan installments by another three months, i.e., from June 1, 2020 to August 31, 2020.