**Proposed Process**

All CF requests shall be forwarded as per below details

* for Walk-in Customers: will provide request form and request will be logged in Unison
* For Branch — Customer will provide request form which will be forwarded to CFC Project Team through email and dispatch. CFG will log request in Unison
* For Call Center — Customer request will be logged in Unison

**Case Screening Process- CF Level**

* All customer request received from various channels will be processed at Central CF Office, Lahore (necessary communication for sending customer requests will disseminate to channels).
* Dedicated teams has been assigned for the initial scrutiny of customer requests with respect to application completeness/documentation i.e. written request, copy of CNIC, supportive evidence if provided by customer etc.
* The requests will be forwarded to screening teams who will conduct the basic checks for evaluation of customer request i.e. Nadra Verisys, previous credit history, current facility position, nature of relief requested, telephonic call to customer etc.
* Ensuring the scrutiny on best efforts basis, case will be recommended for financial relief i.e. principle deferment, restructuring/ rescheduling etc.
* In case screening team, recommend for the refusal of the customer application they will record proper reason on the same i.e. customer has default history, case is in litigation/dispute with customer, customer withdraw its request for financial relief etc.
* Screening team will forward the case to decision committee for final review (approval sheet template attached.
* Final decision will be communicated to respective department for necessary action i.e. CF Operations. CF Operations will ensure Data Entry of all approved cases in the dedicated BPM COVID-19 identical module and upon CLP closure in BPM the customer and account opening process will be completed and loan (relief facility) will be ready for restructuring with the extended period. The necessary T24 customization is being requested to ITG for early solutions and system readiness. All other routine checks and tasks being managed in BAU will be bypassed for these relief loans and all the charges related to prepayment settlement will be waived off whereas Late Payment Charges shall be charged at the time of settlement of loan and issuance of NOC.
* After restructuring / deferment of the loan CF CS will intimate the customer within permissible timelines.
* Customer complete case will be handed over to CCAD for archiving/record
* Detailed process at CF Ops is given below

**CF Operations: Role & Responsibility:**

Upon receiving customer request:

* CFG-Ops shall calculate the total outstanding amount of the existing facility with detailed breakup of principal, markup accrued/due, termination, late payment, other charges etc as of date.
* CFG Ops shall create new loan i.e. new loan facility required to be created to adjust existing facility. However, the Non-Checking accounts of previous settled (restructured / deferred loan) will remain open till the settlement of new facility. This arrangement is required in case any customer has concerns about his Late Payment Charges calculation.
* Markup accrued till date shall be payable by the customer before proceeding for loan rescheduling/deferment. If customer cannot service the markup portion, then either we will consider the request for waiver of markup or the entire amount of markup shall be parked with new facility as a non-accrued amount and shall be payable at the time of settlement of relief facility.
* Late Payment charges shall be noted in system before disbursement along with the updating of new loan in system and shall remain payable at end of term i.e. on closure of relationship. Same will be acknowledged by the customer by signing the undertaking.
* On the termination of the existing facility, any short insurance payment will be paid by the customer and shall be taken in advance and deposited in customer insurance Non-Checking account for onward payments to insurance company. For extended period of 1 or 2 years, the insurance premium will be paid by customer in extended period EMI.
* Customer undertaking on revised T & Cs (terms & conditions) shall be obtained on plain paper with condition that adhesive revenue stamps shall be affixed on post facto basis due to prevailing situation. Stamp on Hand adhesive stamp amount of Rs.500 for customer undertaking will be expensed out by the Bank.

Upon receiving customer confirmation and agreement to terms, CFG-Ops shall create new loan in system. For the new loan for restructuring/deferment purposes, the case shall be processed on customer request along with CNIC copy as only documentation and the case will be deviating the product PPG including Bureau checks, debt burden criteria, hot scan, EV/IV, FRMU sampling etc.

Once the restructuring / deferment is done, CFG-Ops will ensure the generation of revised Amortization Schedule along with the Restructuring Letter for customer intimation. The Loan shall be rescheduled / restructured or principal comportment shall be deferred by creating a new loan in tenors of 12, 24, 36, 48, 60 months due to system functionality (For example if a customer has availed Auto Loan facility for 5 years tenor and has serviced 28 installments, remaining instalments are 32. The bank will disburse loan for 36 months)

Product shall forward all such cases on every Friday to CRP & A for onward weekly reporting to Compliance/Director, Off-Site Supervision & Enforcement Department (OSED), State Bank of Pakistan on prescribed format.

**For Credit Cards:**

Upon request received from frontline channels, following options will be offered to the customer:

**Option 1: Bank Initiated Relief Measure (Preferred)**

The customer will be offered SBS on subsidized rates as per below grid

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Markup Rates** | | **Processing Fees** | |
| **Months** | **Current** | **Proposed** | **Current** | **Proposed** |
| 3 | 33.23% | APR/ 1.5% PM | 2.5% or Rs.600 (higher one) | Zero Upfront Fee |
| 6 | 37.14% | APR/ 1.5% PM | 2.5% or Rs.600 (higher one) |
| 12 | 38.70% | APR / 2% PM | 2.5% or Rs.600   (higher one) |
| 24 | 38.16% | APR /PM | 2.5% or Rs.600   (higher one) |

**Option 2: SBP Relief Measures**

**1. Principle Deferral**

The utilized limit is to be transferred to T24 and booked as a term loan (principle to be deferred and only markup serviced for 12 months). Unutilized limit to stay available with the customer and card to remain operational to facilitate them with reduced limit based on below grid. Card can be downgraded and new plastic will be issued as per the available limit. In case utilization exceeds from below grid, card will be blocked.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  | | --- | --- | | **Limit Gird** | **Limit Utilization** | | 300K to 2Mn | <=80% | | 200K to 299K | <=70% | | 100K to 199K | <=60% | | 50K to 99K | <=50% | |

**2. Rescheduling**

In case customer needs further relief on both markup and principal, the Principal amount will be converted into long term loan i.e. tenor up to 5 Years whereas minimum payment/service charges/markup will be paid by the customer prior to proceeding for loan rescheduling. APR to be charged 36%. Rescheduling will be catered through the CardPro system wherever possible and SBS long term loan will be booked on system whereas credit card will be blocked in these cases.

**Responsibilities:**

▪ Card-Ops shall calculate the total outstanding amount of the existing facility with detailed breakup of principal, markup accrued/due, early settlement, late payment, other charges etc as of date. (For normal cases the card Ops will manage and for the ageing cases the credit Ops will manage as per their practice.)

▪  Since the option is not available to stop the markup / accruals in card pro system without marking the card as Cancelled, therefore the best possible available option is by debiting the dedicated receivable account which will be knocked off in following day or two with the credit proceeding available in customer's NCA account as a resultant of his /her booking of loan in T-24. The reconciliation of this GL will be done on daily basis and monthly proofing will also submitted separately to CFG Finance. The interim period mark-up (from application to relief date) will be waived off.

▪  Markup accrued along with financial charges till date shall be payable by the customer before proceeding for loan rescheduling/deferment. Detailed working will be shared with customer services/sales by card ops to communicate customer accordingly.

▪  Once the Markup accrued along with financial charges have been paid, prior to proceeding for loan rescheduling/deferment customer services/front end will take acknowledgement from the customer by signing the undertaking and forward it to card ops (scanned/physical).

▪  After receiving the complete set of documents, card Ops will block/reduce limit (whichever is applicable) the customer's card itself and forward the new loan request to asset ops and asset ops shall create new loan i.e term loan facility to adjust existing facility.

▪  In case of existing SBS cancellation where customer opts for deferred principal payment option, request will be as per below scenarios:

1. Current SBS is booked at lower rate
2. Current SBS is booked at O % promotional rate
3. SBS and Retail balance are part of total principal at different mark-up rates and to be deferred for term loan.

\*clarity will be taken from SBP. (as per the SBP regulations markup cannot be changed on principle deferment)

▪  In case where customer request for relief against 0% markup rate SBS facility, bank will provide extension of tenure (maximum 3 years) with same 0 % markup rate.

▪  Customer undertaking on revised T & C's (terms & conditions) shall be obtained on plain paper with condition that adhesive revenue stamps shall be affixed on post facto basis due to prevailing situation. Stamp charges shall be borne by the bank.

▪  Upon receiving customer confirmation and agreement to terms, Asset-Ops shall create new term loan in system for restructuring/deferment purposes, the case shall be processed on customer request along with CNIC copy as only documentation and the case will be deviating the product PPG including Bureau checks, debt burden criteria, hot scan, EV/IV, FRMU sampling etc.

▪  Once the settlement is done, Asset-Ops will share maturity MIS (settlement before maturity date or settlement on maturity date) with customer services to intimate customer and card-ops to reinstate existing card facility. At the time of credit card limit re instate, the prevailing limit enhancement practice will be followed.

▪  Product shall forward all such cases on every Friday to CRP & A for onward weekly reporting to Compliance/Director, Off-Site Supervision & Enforcement Department (OSED), State Bank of Pakistan on prescribed format.

**3. Excess Over Limit(EOL) Facility**

In case the customer requests for beyond assigned credit limit usage, additional 15%/ any Wage as decided by the management can be allowed to the customer. This EOL can be further amortized up to period of 12 months, subject to customer request and consent.

**CF CS- Role & Responsibilities**

▪  Shall be responsible to disseminate, educate and entertain the customer request related to financial relief at Consumer Finance Walk in Centers across the country. All customer requests will be logged in system (Unison).

▪ Shall maintain the proper record of customer traffic on related request across all channel and forward to central office

▪ Disseminate the channel wise customer request flow to all stakeholders on daily basis.

Shall be responsible for coordination with Contact Centre for smooth flow of information and processing of customer requests.

▪ CS team will arrange coordination with customer for completeness of documents/fulfillment of operational requirement, where required.

▪ Upon decision of financial relief request, customer service will communicate the decision to customer, on duly approved letter format, and keep the proper record. Letter copy shall be shared with Ops for File keeping as well.

▪ Shall manage the end to end tracking & closure of E-forms. Devise the mechanism for reporting with defined escalation process for TAT adherence.

▪  Once the settlement is done, the Bank shall inform the customer through telephone and WhatsApp mediums for acknowledgment and reference.