Product Features

To dampen the adverse effects of COVID-19 and to enable the banks/DFIs continue to fulfil their role in funding the real economy.

**Product Features/Benefits:**

* Banks upon a written request of an obligor received before 30th June 2020, will defer repayment of principal loan amount by one year; provided that the obligor will continue to service the mark-up amount as per agreed terms & conditions.
* Principal deferment for financing under following SBP refinance schemes along with their respective Shariah compliant alternative schemes:

1. Long Term Financing Facility (LTFF)
2. Financing Facility for Storage of Agricultural Produce (FFSAP)
3. Refinance Facility for Modernization of SME
4. Refinance and Credit Guarantee Scheme for Women Entrepreneur
5. Refinance Scheme for Working Capital Financing of Small Enterprises and Low-End Medium Enterprises
6. Small Enterprise (SE) Financing and Credit Guarantee Scheme for Special Persons

Target Market

* SMEs & Commercial
* Corporates

Eligibility Criteria

All loans which are regular / performing (i.e. not classified) as of 31-Dec-2019 qualify for deferment of principal for twelve months and for rescheduling / restructuring. These loans will continue to be treated as regular loans, subject to condition the deferment of principal amount or rescheduling / restructuring of the loan is executed successfully before the loan becomes 180 days past due**.**

**Documentation Required**

|  |
| --- |
| **Individuals** |
| Attested copy of the   CNIC(s) |
| One recent passport size   photograph of the sponsors |
| Copy of any latest paid   utility bill received at the residential address |
| Copy of Rent deed/lease   deed, where property is rented |
| Undertaking that the   customer is not :   * ­ the director, major shareholder holding 5% or more of the share capital of   the Bank, * ­ its Chief Executive or * ­ an employee or * ­ any family member of above interested persons. |
| Copy of net worth statement   (if available) |
| **Additional Documents for   Proprietorship / Partnership / Company (Public / Private)** |
| Copy of any latest paid   utility bill received at business address |
| Copy of Rent deed/lease   deed, where property is rented |
| Company Profile (History /   Future Plan) |
| Project Information /   Product List |
| Financial statements of   last year at least and preferably for the last three years |
| Online Tax Verisys |
| Partnership deed, Copy of   certificate of registration of partnership (only required for partnership   concerns) |
| Memorandum and Articles of   Association & Certificate of Incorporation (only required for limited   companies) |
| Latest form 29 certified by   SECP (only required for limited companies) |
| Latest form A ( (only   required for limited companiesm if applicable) |
| Board resolution   authorizing borrowing (only required for limited companies) |
| ISO Certification/(s) |
| **Documents Required for   Approval (part of e-CLP)** |
| Loan Application Form |
| e-CIB Report (individuals,   proprietors, partners, directors) / CIB Report (company) |
| Visit report |
| Business & Financial   Appraisal report by approved company |
| Age of business not less   than 3 years (NTN confirming) |
| Overall debt-burden not   exceeding 50% of the projected cash flows for the first year |
| Income Estimation / Salary   Slip (for individuals) |
| Audited Financial   Statements (last 3 years) (for businesses) |
| If unaudited, then   financial statements of last year at least and preferably for the last three   years (for businesses) |
| Projected accounts for the   next years for the financing tenor (for businesses) |
| Other bank's statements of   the business account(s), if available *(not applicable for existing   customers)* |
| Latest facility letters and   loan utilization figure from all banks *(not applicable for existing   customers)* |
| Age of sponsor (individual/sole   proprietor) not beyond 65 years at the maturity of loan |
| Business not in negative   list |
| **Post Approval Documents** |
| Finance Agreement |
| Letter of Authority to   recover installments |
| Personal Guarantee(s) of   borrower(s)/sponsors/directors |
| Initial Offer Letter |
| Repayment schedule duly   accepted by the borrower |
| Post-dated cheques for the   period of repayment |
| Insurance policies &   original premium paid receipts |
| Letter of Hypothecation |
| EPA Approval & NEQ   Compliance (to be arranged from ESMS desk) |
| Demand Promissory Note (on   stamp paper)\* |
| Undertaking   (stating that the funds shall be used for said purpose and any failure to   make payments would result in automatic debit of mentioned account)\* |
| **Collateral Related   Documents: (if applicable)** |
| Copy of title documents of   property / Passbook |
| Latest PT-I of the property   to be mortgaged |
| For constructed property,   NEC / NOC / permission to mortgage |
| Pre-mortgage legal opinion   from the bank's approved lawyer |
| Evaluation of property by   PBA approved evaluator |
| Agreement to Create   Mortgage |
| An undertaking from the   customer that completion certificate from concerned authority under  would be submitted by the borrower within 6   months from the disbursement of last tranche |
| Completion Certificate,   where applicable (however, upfront confirmation required from branch   regarding availability) |
| Original Title   Deeds/Original Letter of Allotment/Transfer/Conveyance deed |
| Approved site plan, if   available |
| Approved building plan, if   available (however, upfront confirmation required from branch regarding   availability) |
| Letters from mortgagor   addressed to the Land/Revenue Department regarding the noting of mortgage |
| Non-encumbrance certificate   / Search Certificates / Permission to mortgage (whichever is applicable) |
| Evidence of marking of lien   with the concerned authority/society/land office |
| Charge registration form 10   (charge with SECP shall be registered within stipulated timeframe) |
| Mortgage deed (in case of   registered mortgage) |
| Post-mortgage legal opinion |
| \* these forms are required   to claim refinance from SBP |

FAQs

**Is the deferment of principal loan amount for twelve months applicable on all types of loans e.g. (long term debt, short term debt and lease finance)?**The deferment of principal loan amount for twelve months is applicable on all types of loans including short term debt, long term debt and lease finance, subject to following three main conditions:

* The borrower makes written request before 30-Jun2020;
* The loan is not “non-performing” as of 31-Dec-2019 [For Microfinance Banks the cut-off date is 15-Feb2020];
* The borrower continues to service mark-up payment as per agreed terms & conditions.

**What if borrower needs deferment of principal amount for more than twelve months or is unable even to pay the mark-up amount?**The borrowers who need deferment of principal for more than twelve months or they cannot service the mark-up payment may individually request banks/DFIs for rescheduling / restructuring of their loans. The bank/DFI will evaluate all such requests of rescheduling / restructuring of loans and decide accordingly.

**Does the deferment of principal for twelve months or rescheduling / restructuring [deferment of principal for more than twelve months or deferment of mark-up amount] apply to finance facilities approved after the issuance of Relief Package?**No. The Relief Package does not apply on such finance facilities which are disbursed after the announcement of the Package.