



## FREQUENTLY ASKED QUESTIONS ON MANDATORY ONE-TIME 60-DAY GRACE PERIOD UNDER BAYANIHAN TO RECOVER AS ONE ACT 2 or (BARO ACT)

**1. Is Camalig Bank covered by Section 4(uu) of the BARO Act?**

Yes. Camalig Bank, as a BSP-Supervised Financial Institution with lending operations, is mandated to implement the one-time 60-day grace period in accordance with the IRR of Section 4(uu) of R.A. No. 11494 issued by BSP per Memorandum No. M-2020-074 dated 28 September 2020.

**2. How do I know if I am qualified to avail of the one-time 60-day grace period?**

You are qualified if your account is current and performing as of 15 September 2020. You are not qualified if your account is past due or non-performing as of 15 September 2020.

**3. Can I still avail even if I have already availed the grace period under Bayanihan 1 (Bayanihan to Heal as One Act)?**

Yes, you can still avail as long as your loan is current as of 15 September 2020.

**4. What if I have several or multiple loans?**

The grace period applies to each loan.

**5. Do I need to apply or request for approval for the application of mandatory grace period?**

No, but we request that a confirmation of your intent to avail of the grace period to ensure that you understand the terms and conditions, as well as the correct application of your desired effectivity date.

**6. Can I opt not to avail of the mandatory grace period?**

Yes. The BARO Act does not preclude the borrowers from choosing not to avail of the mandatory grace period and paying their obligations as they fall due.

**7. What is the coverage of the mandatory grace period?**

It is a non-extendible mandatory one-time sixty (60) day grace period for all existing, current and outstanding loans with principal and/or interest, including amortizations, falling due from 15 September to 31 December 2020. You may opt not to pay your payment dues during the said period without incurring interest on interest, penalties, fees, or other charges.

**8. How will the mandatory grace period benefit and provide relief to a qualified borrower?**

The mandatory grace period allows the borrower to delay payment that are due during its effectivity period, i.e. 15 September to 31 December 2020.

The borrower may opt to apply the mandatory grace period to any of his amortizations falling due between 15 September to 31 December 2020.

The implementation of the mandatory one-time 60-day grace period will effectively extend the maturity of the said loans.

**9. What does “without incurring interest on interest” mean?**

It means that the interest due or chargeable per installment period as stipulated in the loan agreement shall continue to accrue and will still remain payable after the grace period. However, the non-payment during the effectivity period will not be imposed an interest, penalties, fees and other charges.

**10. What does “accrued interest” mean?**

The accrued interest refers to interest that is due on the outstanding principal obligation but not yet paid since the last loan payment made. As stated in item 3, this remains payable by the borrower.

Notwithstanding, the postponement of your payment due dates because of the mandatory grace period, your unpaid loan principal continues to accumulate accrued interest.

Accrued interest is computed based on outstanding balance of loan x interest rate x 60 days/360.

**11. Will I be required to double my amortization payments after the 60-day grace period? How much will I pay after the new due date?**

Your monthly amortization shall not be doubled after the mandatory grace period. Only the accrued interest for the mandatory grace period shall be due and payable on or before 31 December 2020.

**12. When do I pay the principal and accrued interest for the effectivity period?**

The interest amount on the unpaid principal loan that accrues during the 60-day grace period will be carried over to your succeeding due date/s.

The principal and accrued interest during the mandatory grace period may be paid by the borrower on a staggered basis or in full until 31 December 2020, as agreed between the borrower and the Bank.

**13. What happens if my loan is covered by post-dated checks or auto debit arrangement?**

The Bank will coordinate with you and secure your consent whether to proceed with the arrangement or apply for the mandatory grace period. Since the loan maturity will move, you are requested to issue additional check/s to cover the 2 months installments of the availed grace period.

**14. Will I be issued a new amortization schedule if I availed of the mandatory grace period?**

Yes. The Bank shall document the movement of the payment due dates based on the availed grace period and the extension of amortization schedule.