



RE Loans- Emergency Credit Line Guarantee Scheme Policy- 2021

Subject	Emergency Credit Line Guarantee Scheme (ECLGS)
Purpose	To provide 100% guarantee coverage for the Guaranteed Emergency Credit Line (GECL) assistance (pre-approved) up to 20% of loan outstanding as on 29th February, 2020 to eligible borrowers, in the form of additional working capital term loan facility (under ECLGS 1.0, 2.0 and 3.0) and/or non-fund based facility (only under ECLGS 2.0) in case of banks and Financial Institutions, and additional term loan facility (under ECLGS 1.0, ECLGS 2.0 and ECLGS 3.0), in case of NBFCs, from all Member Lending Institutions (MLIs) to eligible Borrowers, in view of COVID-19 crisis, as a special Scheme.
Policy/ Process	<p>1. Strategy</p> <p>The GECL will work through following manner:</p> <ol style="list-style-type: none"> a. Submit an undertaking with NCGTC b. A separate loan account distinct from the existing loan account should be opened for the borrower c. The tenor, interest rate, moratorium, penal interest, last date of disbursement, other terms should be as per the Operational Guidelines under the Scheme. d. Sanction in respect of this additional facility to be provided. e. All details as required by NCGTC and data points to be submitted on a fortnightly basis. <p>2. Screening Criteria</p> <p>Borrowers satisfying following criteria will be eligible for ECLGS:</p> <ol style="list-style-type: none"> 1. Under ECLGS – 1 - Total credit outstanding (fund based only) across all lending institutions and days past due as on February 29, 2020 was upto Rs.50 crore and upto 60 days respectively 2. Under ECLGS – 2 - Total credit outstanding (fund based only) across all lending institutions and days past due as on February 29, 2020 was above Rs.50 crore and not exceeding Rs.500 crore and upto 60 days respectively. 3. ECLGS – 2 would be applicable for borrowers in the 26 sectors identified by the Kamath Committee on Resolution Framework vide its report dated 04.09.2020 and the Healthcare sector 4. The borrower account should not be an NPA as on the date of sanction / disbursement. <p>3. Process</p> <ol style="list-style-type: none"> 1. Eligible borrowers to be identified. Submit an Undertaking to NCGTC for the purpose of this Scheme 2. Sanction to be provided basis the terms stated in the Operational Guidelines. All loans sanctioned under till 30.06.2021 is eligible provided guarantees upto 3 lac cr is not exhausted. 3. A separate loan account shall be opened for the borrower for extending additional credit under GECL

	<ol style="list-style-type: none"> 4. The last date of disbursement for fund based facility under the scheme shall be September 30, 2021. 5. All the details of sanctions provided to eligible borrower to be updated with NCGTC. 6. Risk weight for loans provided under GECL to be kept at zero. 7. All details as required by NCGTC and data points to be submitted on a timely basis as required by NCGTC. <p>4. Invocation of Guarantee</p> <ol style="list-style-type: none"> 1. Inform the date on which the account was classified as NPA within 90 days of the account being classified as NPA. 2. Furnish the details of the account which would include date of NPA, amount in default, status of legal action etc. 3. Post NCGTC would approve the claim 75% of the amount in default to be received. 4. On completion of the recovery Proceedings or till decree gets time barred, whichever is earlier, submit the claim for the balance 25% of the amount in default 5. Furnish details of recoveries made in the account and after adjusting such recoveries towards default amount relating to first charge and the legal costs incurred by them, remit the balance amount to NCGTC within 30 days. <p>5. Reporting</p> <p>Provide for certain data points on a fortnightly basis to NCGTC.</p>
Applicability	Real Estate Borrowers with greater than 50 cr and less than 500 cr outstanding with all lending institutions as on 29 Feb 20, Borrowers with less than 50 cr outstanding with all lending institutions as on 29 Feb 20
Proposed Implementation Date	April'2021
Other Points	Time frame for disbursement if extended will be covered under the policy. Time frame for sanction if extended will be covered under the policy.