

**STATE BANK OF PAKISTAN**  
**INFRASTRUCTURE, HOUSING & SME FINANCE DEPARTMENT**  
**I.I. CHUNDRIGAR ROAD**  
**KARACHI**

**IH&SMEFD Circular Letter No. 4**

**March 26, 2020**

The Presidents / Chief Executive Officers,  
All Banks/DFIs

Dear Sirs/Madams,

**REGULATORY RELIEF TO DAMPEN THE EFFECTS OF COVID-19 -  
PRUDENTIAL REGULATIONS FOR HOUSING FINANCE**

Please refer to IH&SMEFD Circular No. 03 of 2017, whereby revised Prudential Regulations for Housing Finance were issued.

2. The coronavirus (COVID-19) has been evolving as a strain to the global economy including that of Pakistan. Therefore, to dampen the adverse effects of COVID-19 and to enable the banks/DFIs continue to fulfill their role in funding the real economy, following has been decided:

**Regulation HF 11 - Rescheduling / Restructuring of Performing / Non-Performing Housing Finance Facility:**

- i. The Banks/DFIs, upon the request of the borrower received by 30th June 2020, will offer deferral of principal component of installments for one year, unless the customer requests for a shorter period, at no fee or increase in mark-up rate or mark-up on mark-up; provided that the borrower will continue to service the mark-up amount as per agreed terms & conditions. The banks/DFIs will convey their decision to a borrower within 15 working days after the receipt of the written request. In case, banks/DFIs decide to decline the request of the borrower, they will record reasons for this decision in their response to the borrower. The banks/DFIs will submit the details about deferments granted by them to their borrowers at the end of each week, as per attached format, to Director, Off-Site Surveillance and Enforcement Department, State Bank of Pakistan.
- ii. The financing facilities of such obligors, who are unable to service the mark-up amount or need deferment exceeding one year, may be rescheduled / restructured upon their request. If the rescheduling / restructuring is done within 180 days of the loans being past due, such financing facilities will continue to be treated as regular. The deferment of principal component in installments or rescheduling / restructuring shall not affect the credit history of the borrower and, therefore, it should not be reported in the ECIB / private credit Bureau as restructuring.

- iii. The Banks/DFIs shall not classify the financing facilities of obligors who have requested for deferment [2(i)] or rescheduling / restructuring [2(ii)], unless the payment obligations are past due by 180 days. If the deferment or the rescheduling / restructuring is not executed successfully within the specified period of 180 days past due, such financing facilities will be classified as per the prevailing instructions of Prudential Regulations for Housing Finance.

The aforesaid instructions, except 2(i), shall stand expired on March 31, 2021; and afterwards prevailing instructions on the subject shall be applicable. Moreover, these shall not be applicable on the non-performing loans as on 31-Dec-2019.

3. Moreover, the aforesaid treatment shall not be applicable on non-performing loans as of 31-Dec-2019.
4. All other instructions on the matter shall, however, remain unchanged.
5. Please acknowledge receipt.

Yours sincerely,

-Sd-

**(Dr. Mian Farooq Haq)**  
Director

**DETAILS ON DEFERMENT OF PRINCIPAL COMPONENT  
OF INSTALLMENT FOR HOUSING FINANCE**

Position as of \_\_\_\_\_

Bank Name: \_\_\_\_\_

**HOUSING FINANCE**

No. of Borrowers whose Principal is Deferred	
The Deferred Amount (Principal Amount only)	
Amount Deferred for less than 12 months	
Amount Deferred for 12 months	
Amount Deferred for more than 12 months	
No. of Borrowers Whose Requests for Deferment of Principal Amount were declined	
Outstanding Principal Loan Amount of the borrowers whose deferral requests were declined	
List the Distinct Category of Reasons on which requests for deferment of principal amount were declined	

**Note:** Amounts to be given in Rs. 000