

Banking Regulation and Policy Department
Bangladesh Bank
Head Office
Dhaka

BRPD Circular No. 02

February 14, 2006
Date -----
Falgun 02, 1412

Chief Executive
All Scheduled Banks in Bangladesh

Dear Sir,

Policy for Rescheduling of loans.

Please refer to paragraph 1.04 of our BRPD Circular No. 01 dated 13 January, 2003 on the captioned subject, advising banks that the borrower whose loan has been rescheduled shall not get any new loan facility within a period of one year or until the loan is fully repaid which occurs first.

02. The issue has been reviewed and it has been decided that the borrowers whose credit facility has been rescheduled will get new loan facility subject to fulfilment of the following conditions:-
- a) The defaulting borrower who has availed interest waiver must settle at least 15% of the compromise amount (excluding the down payment on rescheduling as per present guidelines) to avail any further credit facility from any Bank.
 - b) In case of borrowing from other Banks, the same rule will be applicable, i.e. the borrower will have to settle at least 15% of compromise amount (excluding the down payment on rescheduling as per present guidelines), then, will be allowed to take regular facility from other Banks subject to the submission of NOC (No Objection Certificate) from the rescheduling bank.
 - c) If there is any Principal waiver, no fresh facility will be allowed till the full settlement of compromise amount.
03. Export borrowers may be granted further credit facility (after being identified as not a wilful defaulter), if required, subject to settle at least 7.5% of the compromise amount (excluding the down payment on rescheduling as per present guidelines) being paid.
04. Prior approval of Bangladesh Bank shall have to be obtained if the loan is related to the director/ ex-directors of a Bank Company.
05. If any such issue is already there (such fresh facility has already been allowed after allowing waiver), the same will not fall under purview of this circular.
06. Information on the loan accounts rescheduled shall be reported to the Credit Information Bureau (CIB) of Bangladesh Bank. While reporting to the CIB, such rescheduled loans/advances may be shown as RS 1 for first rescheduling, RS 2 for second and so on. Interest waivers given to the entity should be mentioned as RSIW & Principal waivers granted should be designated as RSPW.
07. All other terms and conditions as contained in our above circular will remain unchanged.

Please acknowledge receipt.

Yours faithfully,

(Naba Gopal Banik)
General Manager
Phone: 7117825