

**Banking Regulation & Policy Department
Bangladesh Bank
Head Office
Dhaka**

May 29, 2013

BRPD Circular No. 06

Date: -----

Jaistha 15, 1420

**Chief Executives
All Scheduled Banks in Bangladesh**

Dear Sir,

Loan Rescheduling

Please refer to BRPD Circular No.15 dated September 23, 2012 on the captioned subject.

In light of current credit conditions and the greater preponderance of longer term finance, following amendments have been brought into the circular:

1. Section 2.c) of the circular will be replaced as under :

“02. c) Time limit for rescheduling Fixed Term Loan:

The loan which is repayable within a specified time period under a prescribed repayment schedule is treated as Term Loan. In case of rescheduling of any classified Fixed Term Loan, following time-limit may be added with the expiry date/repayment date of last installment to determine the repayment schedule which will be started from the date of rescheduling. If the loan is rescheduled after the expiry date, the following time-limit will be applicable from the date of rescheduling:

Frequency	Classified as Sub-standard	Classified as Doubtful	Classified as Bad/Loss
First Rescheduling	Maximum 36 (thirty six) months	Maximum 24 (twenty four) months	Maximum 24 (twenty four) months
Second Rescheduling	Maximum 24 (twenty four) months	Maximum 18 (eighteen) months	Maximum 18 (eighteen) months
Third Rescheduling	Maximum 12 (twelve) months	Maximum 12 (twelve) months	Maximum 12 (twelve) months

Conditions: During the rescheduled period all required principal and interest payments must be made. Rescheduled amount should be repaid in monthly/quarterly installments. If the amount of defaulted installments is equal to the amount of 6 monthly or 2 quarterly installments, the loan will be classified as Bad/Loss.”

2. Section 2.d) of the circular will be replaced as under :

“02. d) Time limit for rescheduling for Short-term Agricultural and Micro-Credit:

In case of rescheduling of any classified Short-term Agricultural and Micro-Credit, 6 months may be added with following time-limit from the day after the expiry date/repayment date of last installment to determine the repayment schedule which will be started from the date of rescheduling. If the loan is rescheduled after the expiry date, the following time-limit will be applicable:

First Rescheduling	Repayment time limit for rescheduling should not exceed 2 (two) years.
Second Rescheduling	Maximum 1(one) year.
Third Rescheduling	Maximum 6(six) months.

This circular will come into force with immediate effect and all other instructions in BRPD Circular No.15 dated September 23, 2012 will remain unchanged.

Please acknowledge receipt.

Yours sincerely,



(Md. Anwarul Islam)
Deputy General Manager
Phone-9530094