

# Your contract with bank decides payment plan



## LEGAL VIEW Ashish Mehta

*Please can you advise me on what is the best action to take to avoid legal action by a bank. I have a credit card of Dh40,000 which I have been paying off since 2015. Unfortunately I lost my job in October 2015 and am looking after my critically sick father. I cannot afford the minimum amount per month of Dh1,380 but have paid Dh600 which is the instalment amount every month without missing a month for a year. My credit card statement now stands at Dh50,000. I have requested numerous times for a payment plan and reduction of my monthly instalments until I can find employment or pay off the credit card in full. The bank staff sends me threatening e-mails and constantly harasses me for the minimum amount.*

*What are my rights regarding expecting a payment plan? Can I face a legal case if I continue to pay what I can afford which is half the amount per month? What advice can you give me to deal with these consultants, because I am definitely not running away or defaulting.*

The bank has the right to call you to pay the minimum amount as mentioned above if the said amount is mentioned in the document signed between you and your bank during the time of availing the credit card. This is in accordance with Article 12 of Regulation NO: 29/2011 of the Central Bank of UAE Regulations Regarding Bank Loans & Services Offered to Individual Customers which states:

**A:** Conditions for opening of accounts of all types as well as conditions for obtaining credit cards must be included in a standard agreement, drafted in both English and Arabic and written in an easily readable font, and in accordance with texts drafted and approved by the Emirates Banks Association.

**B:** Conditions for granting personal loans, car loans, overdraft facilities and facilities for covering unpaid credit card balances must be included in standard applications, drafted in both Arabic and English and written in easily readable font, and in accordance with texts drafted and approved by the Emirates Banks Association." Based on the above, it



### What the law says

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plication form and terms and conditions signed between you and your banker while availing credit card facilities.

The bank has the right to collect the minimum amount if it is mentioned in the application form or agreement entered between you and the bank.

Since you are in breach, the bank could initiate legal action against you for recovery of balance amount or instalments unpaid. You are advised to approach the bank who issued your credit card and try to make them agree to an alternative payment plan on humanitarian grounds based on loss of your employment and illness of your father. Further, you may also highlight to the bank that you have regularly paid a certain amount each month, although not the full monthly instalment. This may demonstrate your bonafide intentions to pay and not be a defaulter. However the discretion to provide and agree to an alternative payment plan for outstanding credit card loan vests with the bank.

### Wife can sponsor children with minimum salary of Dh10,000

*My husband has been working for a company based in Dubai. Now the company wants to shift him to Oman. My children and I are on his visa and we plan to stay here in Dubai as we*

*get affected. Moreover I am working in Dubai. So only my husband will be moving to Oman. Is it possible for him to keep the UAE visa and at the same time get the Oman visa as he will be working there?*

As per the existing regulations, a person holding residence/employment visa issued by any one member country of the GCC should not be issued an employment visa from another member country of the GCC. Therefore, in order to obtain an employment visa from Oman, your husband's employer should cancel the employment visa held by him in the UAE. You may request your employer in the UAE to provide you the residence visa upon cancellation of visa sponsored by your husband. As per the prevailing rules of the General Directorate of Residency and Foreigners' Affairs, you may sponsor your children if you have a minimum salary of Dh10,000 or salary of Dh7,000 plus employer's accommodation or your own accommodation. In case of you have your own accommodation you should have a valid Ejari tenancy contract for your accommodation. Further, you will also need to se-



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cure a letter of no-objection or NOC from your husband stating that he has no objections with your children staying with you in Dubai under your sponsorship.

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