

Customer Relationship - Fair Practice Code

FAIR PRACTICES CODE OF INDIA HOME LOAN LIMITED (IHLL)

1. Preamble:

This Fair Practice Code has been formulated by India Home Loan Limited (IHLL) pursuant to the Guidelines issued by the National Housing Bank on Fair Practices Code for Housing Finance Companies with its circular bearing No. NHB (ND)/DRS/POL.16/2006 dated September 05, 2006 and revised guilelessness circular bearing NO. NHB/ND/DRS/POL-No.34/2010-11 dated October 11, 2010 and No. NHB (ND) DRS/POL- No. 38/4699/2010-11 dated April 25, 2011. The code aims at promoting good and fair practice, increasing transparency, encouraging market forces, promoting a fair and cordial relationship between IHLL and its customers and enabling IHLL in fostering confidence of the customers.

2. Objectives of the Code:

- a. To promote good and fair practices by setting minimum standards in dealings with customers.
- b. To increase transparency so that the customer can have a better understanding on the key terms & conditions governing the grant of loan facility;
- c. To encourage market forces, through competition, to achieve higher operating standards;
- d. To promote a fair and cordial relationship between customer and IHLL; and
- e. To foster confidence in the housing finance system.

3. Application:

- To be applicable to all the persons who are offered the products and services of IHLL as an employee or otherwise in any manner and/or by any mode.
- The code is applicable under normal operating environment except in the event of any force major.
- The code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the code.
- The Products and services of IHLL will meet all applicable laws and regulations.

4. IHLL's Commitment to Customers:

IHLL shall;

- a) Act fairly and reasonably with customers by following all ethical principles and integrity and transparency.
- b) Be transparent in providing key & relevant information on the nature and benefits of the financial products and services.

- c) Explain the important terms and conditions outlined in Loan Documents etc in English and/or the Local language for better understanding of the Customer as and when required;
- d) Follow the KNOW YOUR CUSTOMER GUIDELINES while obtaining information and documents from customers and obtain necessary information as required as per the Anti Money Laundering Act;
- e) Handle customer **grievances sympathetically** and take all necessary steps to address issues;
- f) Not discriminate between customers on the basis of age, race, caste, gender, marital status, religion or disability.

5. Know Your Customer Policy Guidelines:

IHLL shall;

- a) Carry out due diligence as required under “Know Your Customer” (KYC) policy of our IHLL before opening and operating the Customer’s Loan Account and in furtherance of the policy.
- b) Request the Customer to submit or provide necessary documents or proofs for the same as required to meet IHLL’s KYC, Anti Money Laundering or any other statutory requirements
- c) Provide the Loan application form/account opening forms and other material to the Customer and the same shall contain **among-st** others, key and relevant details of essential information required to be furnished and documents to be produced for verification and/or for record for meeting the KYC requirements.
- d) Explain the procedural formalities and provide necessary classification sought by the customer while opening a loan account.

6. Advertising, Marketing and Sales:

- a) IHLL shall ensure that all **advertising and** promotional material in any media and promotional literature that draws attention to a service or product is clear and transparent, and not misleading.
- b) IHLL shall ensure all advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, shall also indicate whether other fees and charges will apply and full details of the terms and conditions, if any will be available on request of the customer.
- c) IHLL shall keep its customers **informed** any changes in interest rate, charges etc through reminder letters or any other form of communication/display from time to time.
- d) IHLL shall ensure that information on interest rates, common fees and charges is provided on either putting up notices in their Branches/telephone/help-line/website/designated staff.
- e) IHLL Shall ensure that third parties whose services may be availed for providing support services shall handle customer’s personal information with the same degree of confidentiality and security as handled by us.
- f) IHLL shall communicate to customers various features of products availed by them. Such communication about the products or promotional offers in respect of the products/services may be conveyed to the customers only he/she has given his/her consent to receive such information/service either by mail or by registering for the same on the website or on the customer service number of IHLL.
- g) IHLL shall prescribe a code of conduct for Direct Sales Agencies whose services are availed by IHLL to

- market the products and services.
- h) IHLL shall in the event of receipt of any complaint from the customer against representative/DSA for any improper conductor violation of the code of conduct, we shall be adequately addressed and appropriate steps shall be initiated for investigation of the complaint and for making good the loss incurred basis the said investigation.

7. Loans:

1. Disclosure and Transparency:

IHLL shall make available and disclose all material information to the Customer, as may be required by the Customer to understand the terms and conditions governing the grant of loan facility. The material information shall include all the terms and conditions applicable to the Loan.

In respect of prospective customers, provide clear information explaining the key features of its services and products that customers are interested in and also terms and conditions governing the Loan;

2. Applications for Loans and their Processing:

- a) IHLL shall make available and disclose all necessary information in Application Forms which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other HFCs can be made and informed decision can be taken by the borrower. So our application forms are indicating the list of documents required to be submitted with the application form.
- b) IHLL shall give acknowledgement of receipt of all loan applications with disposal time frame indication.

3. Loan Appraisal and Terms/Conditions:

- a) Normally, all particulars required for processing the loan application will be collected at the time of the loan application. IHLL shall contact immediately in case any additional information is required, the customer will be informed that he would be contacted immediately again.
- b) IHLL shall convey in writing to the means of sanction letter/ the loan amount sanctioned along with all terms and conditions including annualized/monthly rate of interest, EMI structure, and Prepayment charges and keep the written acceptance on letters for record.
- c) IHLL shall furnish copy of the Loan Agreement along with each of all enclosures quoted in the loan agreement to every borrower at the time of sanction/disbursement of loans.

4. Communication of rejection of Loan Application:

Where the loan has been rejected, IHLL shall communicate in writing containing the reason(s) for rejection shall be provided to the customer.

5. **Disbursement of Loans including changes in terms and conditions:**

- a) IHLL shall make disbursement in accordance with the schedule as mentioned in the Agreement/sanction letter.
- b) IHLL shall give Notice to the borrower of any change in terms and conditions including disbursement schedule, interest rate, service charges, prepayments charges, other applicable fee/charges etc, Changes to terms and conditions will be made with prospective effect and may be given by personal intimation, Notice Board of each branch, website/email/sms or newspaper, post/courier or any other method as may be desired by IHLL. As suitable condition in this regard will be incorporated in the Loan agreement.
- c) IHLL shall agree if the change is to the disadvantage of the customer, may within 60 days and without notice close his/her account or switch his account without to pay extra charges or interest.
- d) IHLL shall decide to recall/ accelerate payment or performance under the loan agreement or seeking additional securities will be consonance with the loan agreement.
- e) IHLL shall release all securities on repayment of all dues or on realization of the outstanding amount of loan, subject to any legitimate right or lien for any other claim IHLL may have against the customer. If such right of set off is to be exercised, the customer shall be given notice about the same with full particulars about the remaining claims and conditions under which IHLL is entitled to retain the securities still the relevant claim is settled/paid.

8. **Guarantors:**

When a person is considering being a guarantor to a loan, he/she should be informed about;

- His/her liability as guarantor;
- The amount of liability he/she will be committing him/herself to the IHLL;
- Circumstances in which IHLL will call on him/her to pay up his/her liability;
- Whether IHLL has recourse to his/her other monies if he/she fall to pay up as a guarantor;
- Whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- Time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which IHLL will notify him/her about this.
- IHLL shall keep him/her informed of any material adverse change/s in the financial position of the borrower to whom he/she stands as a guarantor.

9. **Privacy and Confidentiality:**

Treat all personal information of customers as private and confidential (even when the customers are no longer customers of IHLL) no information or data relating to customer accounts, whether provided by the customers or otherwise, shall be revealed to anyone, including other companies entities in IHLL group, unless;

- The information is to be given by law;
- There is a duty towards the public to reveal the information;
- In IHLL's reasonable opinion, the information is required to be given;
- The customer asks the IHLL to reveal the information, or the information is given with customer's prior permission;
- The customer has been informed the extent of his/her rights under the existing legal framework for accessing the personal records;

- Authorized by the customer to give information to credit Reference Agencies;
- IHLL shall not use customer's personal information for marketing purposes by anyone including IHLL and or other HFCs unless the customer specifically authorizes them to do so.

10. Credit Reference Agencies.

Inform the Customer at the time when the customer is availing the Loan facility or any time thereafter that his/her account details may be disclosed to credit reference agencies and the checks that made through them.

Further, provide information to credit reference agencies about the personal debts of the Customer, if

1. The Customer has defaulted with his/her payments of EMI;
2. The amount owed is in dispute; and
3. The Customer has not made satisfactory proposal for repaying the debt, following IHLL's formal demand.

In the above mentioned cases, intimation in writing will be given to the customer stating that IHLL intends to give information about the debts the customer owes them, to the credit reference agencies. At the same time, customer shall be explained the role of credit reference agencies and the effect the providing of such information will have on the customer's ability to get credit.

Additional information about the customer may be given to credit reference agencies if the customer has given his/her permission to do so. A copy of the information given to the credit reference agencies shall be provided to a customer, if so demanded.

11. Collection of Dues:

At the time of disbursement of loan the customer will be explained the repayment process including amount, tenure and periodicity of repayment detailed in the repayment schedule. If the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/her notice or by making personal visits and/or repossession of security if any.

IHLL's collection policy has been built on courtesy, fair treatment and persuasion, fostering customer confidence and long-term relationship. IHLL's or any person authorized to represent IHLL in collection of dues or /and security repossession shall identify himself/herself and display the authority letter so issued and upon request display his/her identity card so issued. Provide customers with all the information regarding dues and endeavor to give sufficient notice for payment of dues.

In the event of default of Loan amount by Customer, IHLL and/or its authorized Agents shall:

- Respect customer's privacy.
- Display and inform the customer of his/her identity and authority to represent IHLL in the first instant.
- Remind the customer by sending him/her notice or by making personal visits.
- Provide customers with all the information regarding dues and shall endeavor to give sufficient notice to payment of dues.
- Use legal means to repossess the Asset- Both immovable and movable property.
- IHLL and /or its authorized representatives shall not use abusive language and/or force while undertaking collection/repossession activity.
- Not speak to anyone else except the customer for recovering the outstanding dues.
- Not **contractor** speak to anyone except the customer for collection of outstanding dues.
- Always be polite to all the customers.
- Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- Contact the customer ordinarily at the place of his /her residence and if unavailable at his/her residence, at the place of business/occupation between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise.
- Document time and number of calls and contents of conversation.
- Provide all assistance to resolved or differences regarding dues in a mutually acceptable and in an orderly manner.
- Maintain decency and decorum during visits to customers' places.
- Not visit on inappropriate occasions such as bereavement in the family or such other calamitous occasions to collect dues.

12. **Complaints and Grievances:**

Internal Procedures

IHLL Shall:

- Have a system and procedure for receiving, registering and disposing of complaints and grievances in each of its office.
- Ensure that the customer is informed where to find details of IHLL's procedures for handling complaints fairly and quickly.
- Inform the customer who wants to make a complaint:
 - a. How to do this
 - b. Where a complaint can be made
 - c. How a complaint should be made
 - d. When to expect a reply
 - e. Whom to approach for redressed

- f. What to do if the customer is not happy about the outcome
- g. IHLL's staff shall help the customer with any questions the customer has.
 - endeavor to deal quickly and sympathetically to correct any mistake committed by its staff/system/process.
 - Provide suitable alternative avenues to alleviate problems arising out of technological failures.
 - Redress customer grievances for which the customer may write or call the concerned branch clearly stating nature of his/her grievance along with necessary documents if any and he/she in writing ,acknowledgement contain the name and designation of the official who will deal with and by in call will be provided a complaint reference number.
 - Further after examining the grievance IHLL shall send the final response to the customer or explain the reason as to why it need more time to respond beyond six weeks of receipt of the same.
 - The customer aggrieved by any decision of the aforesaid official may prefer an escalation to the Head office of IHLL at the address given below... The Grievances will be attended immediately upon such reference.

INDIA HOME LOANS LIMITED

1st Floor, Modi House, 10 Bora Masjid Street, Fort, Mumbai. 400001.

- IHLL shall publicize its grievance redressed procedure and ensure that it is available on website.
- The Board of Directors of IHLL will lay down the appropriate grievance redressed mechanism within the organization to resolve complaints and grievances. Such a mechanism should ensure that all disputes arising out of the decisions of lending institution's **functionaries** are heard and disposed of at least at the next higher level.

13. **General:**

IHLL Shall:

- Verify the details mentioned by him/her in the loan application by contacting him/her at his/her residence and/or on business telephone numbers and/or physically visiting his/her residence and or business addresses through agencies appointed for this purpose, if deemed necessary by the IHLL.
- The customer should be informed to co-operate if IHLL needs to investigate a transaction on the customer's account and with the police/other investigative agencies if IHLL need to involve them.
- IHLL shall advise that customer that if the customer acts fraudulently, he/she will be responsible for all losses on his/her account and that if the customer acts without reasonable care and this causes losses, the customer may be responsible for the same.
- HILL shall not discriminate on grounds of sex, caste and religion in the matter of lending however, this does not preclude IHLL from instituting or participating in scheme framed for different sections of society.
- IHLL shall process requests for transfer of a loan account, either from the borrower or from bank/Financial Institution,in the normal course.
- IHLL shall inform about products and services in any one or more of the following language: Hindi, **English** or the appropriate local language.
- To publicize the Code by:
 - (a) Provide existing and new customers with a copy of the code.
 - (b) Making this code available on request either over the counter or by electronic communication or mail;
 - (c) Making available this code at every branch and on web-site; and
 - (d) Ensuring that the IHLL staff is trained to provide relevant information about the code and to put the code into practice.

- The Board of Directors of IHLL shall periodically review of the compliance of the Fair practice Code and functioning of the grievances redressed mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.