

# FAIR PRACTICES CODE

(As approved by the Board of Directors of the Company Effective from 20<sup>th</sup> December, 2017)

### 1. Introduction:

This Fair Practices Code (FPC) has been formulated by Roha Housing Finance Private Limited (RHFPL) pursuant to the Guidelines on Fair Practices Code for Housing Finance Companies issued by the National Housing Bank (NHB) vide its circular bearing No. NHB (ND)/DRS/REG/MC-03/2016 dated July 1, 2016. This Code has come into force from May 10, 2011. Roha Housing Finance Private Limited (hereinafter for the sake of convenience to be referred to as **RHFPL** or **the Company**) has formulated this Fair Practices Code to lay down the following procedures/practices in dealing with the business transactions. The Company shall adopt all the best practices prescribed by NHB from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed.

RHFPL's policy is to treat all the clients consistently and fairly. The employees of company will offer assistance, encouragement and service in a fair, equitable and consistent manner. The company will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC on its website.

RHFPL will ensure that the implementation of the FPC is the responsibility of the entire organization. RHFPL's management team is responsible for implementing the fair practices hereinafter detailed, and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment

### 2. Objectives:

- ❑ To promote good and fair practices by setting minimum standards in dealing with customers;
- ❑ To increase transparency so that the customer can have a better understanding of what they can reasonably expect of the services;
- ❑ To encourage market forces, through competition, to achieve higher operating standards;
- ❑ To promote a fair and cordial relationship between customer and RHFPL; and
- ❑ To foster confidence in the housing finance system.

### 3. Application of the Code:

- ❑ To be applicable to all persons offering the Products and Services of the Company 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 majeure.

#### **4. Commitments:**

RHFPL would act fairly and reasonably in all dealings with customers, by ensuring that:

- ▣ We shall meet the commitments and standards in this Code for the products and services we offer and in the procedures and practices our staff follows
- ▣ Our products and services meet relevant laws and regulations in letter and spirit.
- ▣ Our dealing with customers rests on ethical principles of integrity and transparency.
- ▣ We shall provide clear information, without any ambiguity, to the customer in understanding products and services together with its terms and conditions including interest and service charges.
- ▣ We would deal quickly and sympathetically in correcting mistakes if any, and attend to customer's complaints in light of the objectives of this code.
- ▣ We shall treat all personal information of customers as private and confidential and shall not divulge any information to third person unless required by any law or Government authorities including Regulators or Credit agency or where the sharing of information is permitted by the customer.
- ▣ We shall provide, on request, copy of the Code to the existing borrowers and new customer prior to commencement of business transaction.
- ▣ We shall not discriminate its customers on the basis of age, race, caste, gender, marital status, religion or disability. However the restrictions if any, as mentioned in the loan products, shall continue to apply.

#### **5. Disclosure and Transparency:**

RHFPL would provide information on interest rates, common fees and charges through:

- a) Putting up notice in branches;
- b) Providing tariff schedule as and when requested
- c) Through the company's website
- d) Through designated staff/ helpdesk

RHFPL would transparently disclose to the borrower all information about fees/charges payable for processing the loan application, the amount of fees refundable if loan amount is not sanctioned /disbursed, pre-payment options and charges, if any, penalty for delayed repayment if any, conversion charges for switching loan from fixed to floating rates or vice-versa, existence of any interest re-set clause and any other matter which affects the interest of the borrower. In other words, RHFPL shall disclose 'all in cost' inclusive of all charges involved in processing/sanction of loan application in a transparent manner. It would also be ensured that such charges/fees are non-discriminatory.

## **6. Advertising, Marketing and Sales:**

### **RHFPL:**

- a. Shall ensure that all advertising and promotional material is clear, and not misleading.
- b. In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, RHFPL shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
- c. RHFPL should provide information on interest rates, common fees and charges through putting up notices in their branches; through telephone or help-lines; on the company's website; through designated staff / help desk; or providing service guide / tariff schedule.
- d. If RHFPL avail of the services of third parties for providing support services, RHFPL shall require that such third parties handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as the RHFPL would.
- e. RHFPL may, from time to time, communicate to customers various features of their products availed by them. Information about their other products or promotional offers in respect of products / services, may be conveyed to customers only if 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 customer service number.
- f. Shall prescribe a code of conduct for the Direct Selling Agencies (DSAs) whose services are availed to market products / services which amongst other matters require them to identify themselves when they approach the customer for selling products personally or through phone.
- g. In the event of receipt of any complaint from the customer that the Company's representative / courier agency or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complaint and to make good the loss.

## **7. Loans:**

### **7.1 Applications for Loans and Their Processing**

- a) Loan application forms should include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other RHFPL can be made and informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form.

- b) The RHFPL should devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed of should also be indicated in the acknowledgement.

## 7.2 Loan Appraisal and Terms/Conditions

- a) Normally all particulars required for processing the loan application shall be collected by the RHFPL at the time of application. In case RHFPL needs any additional information, the customer should be told that he/she would be contacted accordingly.
- b) RHFPL should convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with all terms and conditions including annualized rate of interest, method of application, EMI Structure, prepayment charges and keep the written acceptance of these terms and conditions by the borrower on its record.
- c) RHFPL shall invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to every borrower at the time of sanction / disbursement of loans.

## 7.3 Communication of Rejection of Loan Application

If an RHFPL cannot provide the loan to the customer, it shall communicate in writing the reason(s) for rejection.

## 7.4 Disbursement of Loans Including Changes in Terms and Conditions

- a) Disbursement should be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.
- b) The RHFPL should give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee/ charges etc. RHFPL should also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.
- c) If such change is to the disadvantage of the customer, he/she may within 60 days and without notice close his / her account or switch it without having to pay any extra charges or interest.
- d) Decision to recall / accelerate payment or performance under the agreement or seeking additional securities, should be in consonance with the loan agreement.

- e) RHFPL should 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 RHFPL may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which RHFPL are entitled to retain the securities till the relevant claim is settled /paid.

## **8. Guarantors:**

When a person is considered to be a guarantor to a loan, RHFPL shall inform him/her the following under acknowledgement-

- a) his/her liability as guarantor;
- b) the amount of liability he/she will be committing him/herself to the company;
- c) circumstances in which RHFPL will call on him/her to pay up his/her liability;
- d) whether RHFPL has recourse to his/her other monies in the company if he/she fail to pay up as a guarantor;
- e) whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- f) time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which RHFPL will notify him/her about this.
- g) In case the guarantor refuses to comply with the demand made by the creditor /lender, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a willful defaulter.

RHFPLs 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:**

All the borrower's personal information shall be treated as private and confidential (even when he/she is no longer customer of RHFPL) and shall be guided by the following principles and policies. RHFPL shall not reveal information or data relating to customer's accounts to anyone, including other companies in the group, other than in the following exceptional cases:

- a) If the information is to be given by law.
- b) If there is a duty towards the public to reveal the information.
- c) If the RHFPL's interests require them to give the information (for example, to prevent fraud) but it should not be used as a reason for giving information about customer or customer accounts (including customer name and address) to anyone else, including other companies in the group, for marketing purposes.
- d) If the customer asks the RHFPL to reveal the information, or with the customer's permission.

- e) If RHFPLs are asked to give a reference about customers, they shall obtain his / her written permission before giving it.
- f) The customer shall be informed the extent of his / her rights under the existing legal framework for accessing the personal records that an RHFPL holds about him/her.
- g) RHFPLs shall not use customer's personal information for marketing purposes by anyone including RHFPLs unless the customer specifically authorizes them to do so.

#### **10. Credit reference agencies:**

- a) When a customer opens an account, RHFPL shall inform him / her when they may pass his / her account details to credit reference agencies and the checks RHFPL may make with them.
- b) RHFPL may give information to credit reference agencies about the personal debts the customer owes them if:
  - i. The customer has fallen behind with his / her payments;
  - ii. The amount owed is not in dispute; and
  - iii. The customer has not made proposals that the RHFPL are satisfied with, for repaying his / her debt, following RHFPL's formal demand
- c) In these cases, RHFPL shall intimate the customer in writing that they plan to give information about the debts the customer owes them to credit reference agencies. At the same time, RHFPL shall explain to the customer the role of credit reference agencies and the effect the information they provide can have on customer's ability to get credit.
- d) RHFPL may give credit reference agencies other information about the customer's account if the customer has given them his / her permission to do so.
- e) A copy of the information given to the credit reference agencies shall be provided by the RHFPL to a customer, if so demanded.

#### **11. Collection of Dues:**

Whenever loans are given, RHFPL would explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However 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.

The RHFPL's collection policy should be built on courtesy, fair treatment and persuasion. RHFPLs should believe in fostering customer confidence and long-term relationship. RHFPL's staff or any person authorized to represent them in collection of dues or / and security repossession shall identify himself / herself and display the authority letter issued by the RHFPL and upon request, display his / her identity card issued by the

RHFPL or under authority of the company. RHFPL's shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.

All the members of the staff or any person authorised to represent the RHFPL in collection or / and security repossession should follow the guidelines set out below:

- a) Customer would be contacted ordinarily at the place of his / her choice and in the absence of any specified place at the place of his / her residence and if unavailable at his / her residence, at the place of business / occupation.
- b) Identity and authority to represent the RHFPL should be made known to the customer at the first instance.
- c) Customer's privacy should be respected.
- d) Interaction with the customer shall be in a civil manner
- e) RHFPLs' representatives shall contact the customers between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise.
- f) Customer's request to avoid calls at a particular time or at a particular place shall be honored as far as possible.
- g) Time and number of calls and contents of conversation would be documented.
- h) All assistance should be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- i) During visits to customer's place for dues collection, decency and decorum should be maintained.
- j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls / visits to collect dues.

## **12. Complaints and Grievances:**

- a) RHFPL should have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- b) The Board of Directors of RHFPL should lay down the appropriate grievance redressal 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.
- c) Customer should be told where to find details of RHFPL's procedure for handling complaints fairly and quickly.



d) If the customer wants to make a complaint, he/she will be told:

- I. How to do this
- II. Where a complaint can be made
- III. How a complaint should be made
- IV. When to expect a reply
- V. Whom to approach for redressal
- VI. What to do if the customer is not happy about the outcome.

RHFPL's staff shall help the customer with any questions the customer has.

- e) If a complaint has been received in writing from a customer, RHFPL shall endeavor to send him/her an acknowledgement/response within a week. The acknowledgement should contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at RHFPL's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- f) After examining the matter, an RHFPL shall send the customer its final response or explain why it needs more time to respond and shall endeavor to do so within six weeks of receipt of a complaint and he/she should be informed how to take his/her complaint further if he/she is still not satisfied.
- g) RHFPL shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

RHFPL shall clearly display in all its offices / branches and on the website that in case the complaint does not receive response from the company within reasonable time or is dissatisfied with the response received, the complainant may approach the Complain Redressal Cell of National Housing Bank by lodging its complains in Online mode at the link <https://grids.nhbonline.org.in> OR in offline mode by post, in prescribed format available at link <http://www.nhb.org.in/Grievances-Redressal-System/Lodging-Complaint-Against-HFCs-NHB%E@%80%93Physical-mode.pdf>, to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank at the following address:-

National Housing Bank, Department of Regulation and Supervision,  
(Complaint Redressal Cell),  
4<sup>th</sup> floor, Core 5A, India Habitat Centre,  
Lodhi Road, New Delhi – 110 003.  
The complaint can also be e-mailed at [crcell@nhb.org.in](mailto:crcell@nhb.org.in)

### 13. General:

RHFPL shall verify the details mentioned by customer in the loan application by contacting customer 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 Company.

- ▣ Customer would be informed to co-operate if the Company needs to investigate a transaction on his/her account and with the Police/ other Investigative Agencies, if the Company needs to involve them.
- ▣ The Company would advise the customer that if her / she act fraudulently, he/she will be responsible for all losses on his/her account and that if he/she act without reasonable care and this causes losses, he/she may be responsible for the same. Not to discriminate on the basis of race, caste, gender, marital status, religion or disability.

RHFPL shall display about their products and services in any one or more of the following languages:

**Hindi or English or the appropriate local language.**

RHFPL shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further, HFCs shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude RHFPLs from instituting or participating in schemes framed for different sections of the society.

RHFPL shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.

To publicise the code, RHFPL shall:

- a) provide existing and new customers with a copy of the Code
- b) make this Code available on request either over the counter or by electronic communication or mail;
- c) make available this Code at every branch notice board and on their website; and
- d) ensure that their staff are trained to provide relevant information about the Code and to put the Code into practice.

The Board of Directors of RHFPL should provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal 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.