

Fullerton India Home Finance Company Ltd

Fair Practice Code

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Glossary

NHB	National Housing Bank
DSA	Direct Selling Agency
FIHFC	Fullerton India Home Finance Company Limited
HFC	Housing Finance Companies

1. **Background**

This Fair Practice Code (the Code) is aimed at providing all the stakeholders, especially customers, effective overview of practices followed by the Company in respect of the financial facilities and services offered to its customers. This Code is drawn up keeping in view the circular on “Guidelines on Fair Practices Code for HFCs” issued by National Housing Bank (NHB).

2. **Scope**

This code would apply to all the products and services, whether provided by the Company, its intermediaries or its subsidiaries across the counter, over phone, by post, through interactive electronic devices, on the internet or by any other means of delivery.

The broad objectives of the Code are, to:

- promote good and fair practices by setting minimum standards in dealing with customers
- increase transparency so that the customers could have an understanding of what could be reasonably expected services
- promote a fair and cordial relationship between customer and the Company
- foster confidence in the housing finance system

3. **Policy Principles**

3.1. **Advertising, Marketing and Sales**

The Company should ensure that

- All advertising and promotional material is clear, and not misleading.
- All advertising and promotional material related to any service or product should indicate applicable interest rate, fees and charges and also aver that the full particulars of relevant terms and conditions could be had on request.
- The information on interest rates, common fees and charges should be provided in the form of notices at the branches, through telephone or help-lines, on the Company’s website and through designated staff / helpdesk or through service guide / tariff schedule.
- The third parties providing support services should handle customer’s personal information (if any) with the same degree of confidentiality and security as the Company does.
- The communications to the customers on products or promotional offers should be sent only if it is consented by the customers through some mode or other

- A code of conduct should be prescribed for the Direct Selling Agencies (DSAs) and appropriate action should be taken if any violation of this Code is reported
- The Company should transparently disclose to the borrowers all the information about fees/charges payable for processing the application, fees refundable if the loan is not sanctioned/disbursed, prepayment options and charges, penalty for delayed payments, conversion charges for fixed rate to variable and vice versa, interest reset clauses etc.

3.2. Loans

a. Application forms

- Loan application forms issued by the Company should include necessary information, which affect the interest of the borrower so that the customer could do a meaningful comparison with the terms and conditions offered by other HFCs and take an informed decision.
- The Company should issue acknowledgement for receipt of loan applications.
- The loan application form should indicate the documents required to be submitted.

b. Loan Appraisal and Terms & Conditions

- All particulars required for processing the loan application should be collected at the time of receiving the application and the customer should be informed that for any additional information, if required, contact should be again made immediately.
- The Company should convey in writing, through a 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 hold the acceptance of the customer on record.
- The Company should furnish a copy of the loan agreement along with copies of all enclosures at the time disbursement
- In case, the loan applied for is not sanctioned, the reasons for rejection should be communicated to the customers in writing to the customer.

c. Disbursement of loans including changes in terms and conditions

- Disbursement should be made in accordance with disbursement schedule may be given in loan agreement/ sanction letter on such other similar documents.
- The customers should be notified of any change in the terms & conditions and changes in interest rates which should be effected only prospectively. A suitable condition to this effect should be incorporated in the loan agreement.
- If any change is to the disadvantage of the customer, the customer should, within 60 days, without notice, close the account or switch, without paying any extra charges or interest.

- Any decision to recall / accelerate payment or any performance under the agreement or seeking additional securities should be in consonance with the loan agreement.
- All securities should be released on repayment of the dues and in the case of exercising any right or lien for any other claim, the borrower should be given notice about the same with full particulars.

d. Guarantors

When a person consents to guarantee a loan, the Company should be informed the guarantor in detail about the following

- liability as guarantor, the amount committed, whether the liability is limited or not and the circumstances under which the guarantee could be invoked.
- the Company's right to recourse to other monies of the guarantor with the Company, if the guarantor fails to pay the liability on call
- time and circumstances under which the guarantee should be discharged as well as the manner in which the Company should notify the same
- where the Company had made a claim on the guarantor on account of the default of the principal debtor, the liability of the guarantor is immediate and in case the said guarantor refuses to comply with the demand made by the Company despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter.

The Company should keep the guarantor informed of any material adverse changes that it may become aware of in the financial position of the borrower for whom the guarantee was offered”.

e. Loans Sourced over Digital Lending Platforms

Wherever digital lending platforms are engaged as agents to source borrowers and/ or to recover dues, the following instructions should be complied with:

1. Names of digital lending platforms engaged as agents should be disclosed on the Company website.
2. Digital lending platforms engaged as agents should be directed to disclose upfront to the customer, the Company's name on whose behalf they are interacting with the customer.
3. Immediately after sanction but before execution of the loan agreement, the sanction letter should be issued to the borrower on the letter head of the Company
4. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement should be furnished to all borrowers at the time of sanction/ disbursement of loans.
5. Effective oversight and monitoring should be ensured over the digital lending platforms engaged the Company.

6. Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

3.3. Privacy and Confidentiality

All the personal information of customers, whether provided by the customers or otherwise, should be treated as private and confidential and should not be revealed to anyone, including other companies in the group, except for the following purposes:

- Information to be given by law
- For a duty towards the public at large
- Company's interests require to give the information to prevent fraud which should not be used for marketing purpose
- On the customer's request or consent.
- If the Company receives a request to give a reference, it should do so, only after a written permission of the customer.
- The Company should not use customer's personal information for marketing purposes by anyone including for in-house purposes unless the customer specifically authorizes the same.

The customer should be informed the extent of his / her rights under law, through a Privacy Policy posted on the website of the Company.

3.4. Credit Information Companies

- The Company should inform the customers of its need to report the account details to credit reference agencies and also brief the customer of the checks it should carry with the agencies.
- The Company should send information to credit reference agencies (credit information companies) on the debts of the customers with the Company, as per the requirements under Credit Information Company Regulations 2006
- The Company should intimate the customer in writing that the information about the debts the customer owes should be reported to credit reference agencies and also explain to the customer, the role of credit reference agencies and the effect the information provided could have on customer's ability to raise loans.
- A copy of the information given to the credit reference agencies should be provided to a customer on demand.

3.5. Collection of dues

- The Company should explain to customers, the repayment process, in terms of installment amount, tenure and periodicity of repayment.
- In case of default, the recovery processes followed should be in accordance with the laws of the land through reminding the customer by notices that offer sufficient time to make the payment, by personal visits and / or through repossession of security.
- The Company should build its collection process on courtesy, fair treatment and persuasion.
- All the persons authorized by the Company to collect dues or repossess security should identify themselves and display the authority letter issued by the Company automatically and if demanded, display the identity card issued by the Company or under its authority.
- All the members of staff or any person authorized to represent the Company in collection or repossession of security, should follow the following guidelines:
 - Ordinarily, the customer should be allowed to choose the meeting place and if no location is chosen, the meeting could be at the residence and if unavailable, the meeting could be at the place of business / occupation.
 - Identity and authority to represent the Company should be informed to the customer.
 - Customer's privacy should be respected.
 - Interaction with the customer should be in a civil manner
 - The contact should be made between 0700 hrs. and 1900 hrs. unless the special circumstances of the customer's business or occupation require otherwise.
 - Customer's request to avoid calls at a particular time or at a particular place should be honored to the extent possible.
 - Time and number of calls and contents of conversation should be documented.
 - All possible assistance should be given to the customer to resolve disputes or differences, in a mutually acceptable and orderly manner.
 - During the visits to customer's place for collection, decency and decorum should be maintained.
 - Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls/visits to collect dues.

3.6. Complaints and Grievance Redressing Mechanism

The company aims to provide the best customer service among peers and should consistently strive on creating a robust and efficient customer service platform. Towards this objective, the Board of Directors has laid down the following grievance redressing mechanism within the organization to resolve complaints and grievances of the customers.

a. Level - 1

The Company should have a system and procedure for receiving, registering and disposing of complaints and grievances at each of its offices and the customers should be informed the following details

- Where to find details of procedure for handling complaints fairly and quickly.
- Whom to complain to (Level 1)
- How to complain
- When to expect a reply
- Whom to approach for redressing (Level 2)
- What to do if not happy about the outcome (Level 3)

In addition, the customers should be offered the following options

- Telephone: The customers can call the Contact Centre on our toll free number 1800 102 1003 during 9.30am to 6.30 pm (Monday to Friday); 9:30am to 3:00pm (Saturday); excluding all public holidays.
- Email: Customers can also send their grievances through dedicated e-mail ID grihashakti@grihashakti.com
- Letters: Written letters addressed to Corporate office at Floors 5 & 6, B Wing, Supreme Business Park, Supreme City, Powai, Mumbai -400076 OR at its Registered Office at 3 rd Floor, Megh Towers, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai –600095.
- Visit: Customers may physically visit the Customer Service Officer at the Service Branch and make a requisition with the said branch during following visiting hours:

Branch timings: 9:30am to 6:30pm (Monday to Saturday);
Payment timings: 9:30am to 6:00pm (Monday to Friday);
9:30 am to 4:00pm (Saturday)
All timings excluding public holidays

b. Level - 2

If the resolution received at Level - 1 fails to meet the expectations, the customer should have the option to write to the Company's "Complaints Management Cell", at GCRC@grihashakti.com and/or the Corporate Office or Registered Office address provided above.

c. Level - 3

If the customer is still dissatisfied with the resolution received, the customer may refer the matter to the Company's "Grievance Redressal Officer" at GRO@grihashakti.com and/or the Corporate Office or Registered Office address provided above.

In case the customer is still dissatisfied with the response received or where no response is received, the customer may as per the NHB regulations, approach the Complaint Redressal Cell of National Housing Bank by lodging complaint online on the link <https://grids.nhbonline.org.in> **OR** in offline mode by post, in prescribed format available at link <http://www.nhb.org.in/Grievance-Redressal-System/LodgingComplaint-Against-HFCs-NHB%E2%80%93Physical-Mode.pdf> , to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi -110 003.

The Company should maintain the following protocol while handling customer complaint:

- Acknowledgement/ response containing the name & designation of the official who should deal with the grievance should be sent to the customer within a week.
- A complaint reference number should be provided and the customer should be informed of the progress within a reasonable period of time.
- The final response or explanation as to why more time is required to respond should be sent within six weeks.
- The final response should also inform the customer as to how to take complaint further if not satisfied.

This grievance redressing procedure should be publicized and made available on the Company's website.

3.7. Customer Communications

- a. The Company should inform the customers
 - to co-operate if the it needs to investigate into a transaction in the customer's account and with the police/ other investigative agencies, if needed
 - that if the customer acts fraudulently, he/she should be responsible for all losses and that if the customer acts without reasonable care and this causes losses, the customer should be responsible for the same.
 - about the products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
 - that the Company does not discriminate on grounds of sex, caste and religion while lending.
 - that the Company does not discriminate visually impaired or physically challenged applicants on the grounds of disability in extending products, services or facilities etc.
 - that the Company should process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.

- b. The Company should issue “Most Important Terms and Conditions” to the individual housing loan customers as per the format and procedure prescribed by NHB vide its circular ref: NHB (ND)/DRS/Pol-No.54/2013-14 dated Apr 5, 2013 and modified from time to time.
- c. The Company should display the notice board with contents as prescribed by NHB vide its circular ref no. NHB (ND)/DRS/Policy Circular No.70/2014-15 dated Apr 20, 2015.
- d. The Company should have booklets as prescribed in the above circular dated Apr 20, 2015 and update the same on the Company’s website
- e. The Company should have at its website, the information on interest rates and charges as per the circular dated Apr 20, 2015 referred above.
- f. This Fair Practice Code should be publicized by:
 - providing customer, a copy of the Code
 - making this Code available on request either over the counter or by electronic communication or mail
 - making it available at every branch and on the website
 - Training the staff to provide relevant information about the Code and to put the Code into practice.

4. Report on compliance to the Code

A quarterly report on the compliance to the Code and the functioning of the grievances redressing mechanism at various levels of management should be placed to the Board.

5. Review of the Code

The Code should be subjected to an annual review by the management and modifications, if any, warranted should be taken up for the approval of the Board. Any modification to be effected based on regulatory requirements should be made immediately and a review should be placed the Board at the ensuing meeting, after the change is made.