

FAIR PRACTICE CODE

1. Introduction

This document provides details of the practices which are to be followed by India Shelter Finance Corporation Ltd (India Shelter) to ensure fair and transparent dealings with its customers who approach it for obtaining a loan and for subsequent transactions with customers post disbursement of loan. This code will enable employees to understand ethos of customer service and maintain transparency and fairness in business dealings with its customers. The Code has been formulated keeping in mind India Shelter's ethos of "Honesty, Hardwork & Respect".

2. Objectives of the Code

1. To promote good and fair practices by setting minimum standards in dealing with our customers;
2. To increase transparency so that the customer can have a better understanding of what he/she can reasonably expect of our services;
3. To effectively compete with the established and emerging market players by setting higher operating standards;
4. To promote a fair and cordial relationship between the customer and India Shelter;
5. To foster confidence in the housing finance system by impeccable behavior.

3. Application of the Code

This code shall apply to all employees of the company and other persons authorized to represent it in the course of its business with respect to all products and services whether provided across counter, over the phone, by post, or through interactive electronic devices, on the internet or by any other method. Commitment to act fairly and in a transparent manner

India Shelter shall adhere to this code to act fairly and immaturely in all its dealings, on the principle of integrity and transparency, to meet the high operational standard adopted by India Shelter. We shall:

- a) Meet the commitments and standards in this Code for the products and services we offer and in the procedures and practices that our employees follows;
- b) Meet relevant laws and regulations in letter and spirit;
- c) Ensure that our dealings with customers rest on ethical principles of integrity and transparency;
- d) 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 reset clause and any other matter which affects the interest of the borrower. In other words, we will disclose 'all in cost' inclusive of all charges involved in processing / sanction of loan application in a transparent manner;
- e) Ensure that such changes / fees are non-discriminatory.

4. Advertising, Marketing and Sales

India Shelter shall ensure that all advertising and promotional material is clear, and not misleading. The code shall apply to Sales Associates/ representative of India Shelter in dealing with customers to the extent it is applicable.

- a) 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, India Shelter shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.

- b) India Shelter will provide information on common fees and charges through putting up notices in their branches; through telephone or help-lines; through designated staff / help desk; or providing service guide / tariff schedule.
- c) If India Shelter avail of the services of third parties for providing support services, it will 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 India Shelter would.
- d) India Shelter 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.
- e) India Shelter will prescribe a code of conduct for their Direct Selling Agencies (DSAs); if such services are obtained.
- f) In the event of receipt of any complaint from the customer that India Shelter's representative 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.

5. Loans

(i) Applications for loans and their processing

a) Loan application forms will include necessary information 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. The loan application form will indicate the list of documents required to be submitted with the application form.

b) India Shelter has devised a system of giving acknowledgement for receipt of all loan applications. India Shelter proactively analyses all the applications which it receives and resolves them quickly and fairly.

(ii) Loan appraisal and terms/conditions

a) Normally all particulars required for processing the loan application shall be collected by India Shelter at the time of application. In case we need any additional information, the customer will be told that he would be contacted immediately again.

b) India Shelter will 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) India Shelter will 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.

(iii) Communication of rejection of Loan Application

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

(iv) Disbursement of loans including changes in terms and conditions

a) Disbursement will be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.

b) India Shelter will ensure that changes in interest rates and charges are effected only prospectively.

c) Decision to recall / accelerate payment or performance under the agreement or seeking additional securities, will be in consonance with the loan agreement.

d) India Shelter will 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 India Shelter 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 India Shelter is entitled to retain the securities till the relevant claim is settled / paid.

(v) Guarantor will be informed of his rights, responsibility and obligations.

6. Privacy and Confidentiality

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers], and shall be guided by the following principles and policies. India Shelter will not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies/entities in their 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 India Shelter's interests require them to give the information (for example, to prevent fraud) but it will 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 HFC to reveal the information, or with the customer's permission.
- e) If India Shelter is asked to give a reference about customers, we will 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 HFC holds about him /her.
- g) India Shelter will not use customer's personal information for marketing purposes by anyone including HFCs unless the customer specifically authorizes them to do so.

7. Credit reference agencies

a) When a customer is extended loan, India Shelter will inform him / her when they may pass his / her account details to credit reference agencies and the checks HFCs may make with them.

b) India Shelter 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 India Shelter is satisfied with, for repaying his / her debt, following HFC's formal demand

c) In these cases, India Shelter will 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, India Shelter will 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) India Shelter 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 India Shelter to a customer, if so demanded.

8. Collection of Dues

Whenever loans are given, India Shelter will 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.

India Shelter's collection policy will be built on courtesy, fair treatment and persuasion. India Shelter believes in fostering customer confidence and long-term relationship. India Shelter's employee 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 India Shelter and upon request, display his / her identity card issued by India Shelter or under authority of India Shelter. India Shelter 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 authorized to represent the India Shelter 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 India Shelter will be made known to the customer at the first instance.
- c) Customer's privacy will be respected.
- d) Interaction with the customer will be in a civil manner
- e) India Shelter's 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 will be maintained.

j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/visits to collect dues.

9. Complaints and Grievances

a) India Shelter has 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 India Shelter will lay down the appropriate grievance redressal mechanism within India Shelter 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 India Shelter's procedure for handling complaints fairly and quickly.

d) If the customer wants to make a complaint, he/she should 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.

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

e) If a complaint has been received in writing from a customer, India Shelter will endeavor to send him/her an acknowledgement / response within a week. The acknowledgement will contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at India Shelter'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, India Shelter will 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) India Shelter shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website. India Shelter will 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 National Housing Bank at the following address:

National Housing Bank,
Department of Regulation and Supervision,
(Complaint Redressal Cell),
4th Floor, Core 5A, India Habitat Centre,
Lodhi Road,
New Delhi - 110 003

Customer shall be informed that the complaint can also be e-mailed at crcell@nhb.org.in

10. General

1. India Shelter will 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 India Shelter.
2. The customer will be informed to co-operate if India Shelter needs to investigate a transaction on the customer's account and with the police/ other investigative agencies, if India Shelter needs to involve them.

3. India Shelter will advise the 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.
4. India Shelter will display about their products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
5. India Shelter s shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further, India Shelter will 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 HFCs from instituting or participating in schemes framed for different sections of the society.
6. India Shelter will process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
7. To publicize the code, India Shelter will:
 - i. provide existing and new customers with a copy of the Code
 - ii. make this Code available on request either over the counter or by electronic communication or mail;
 - iii. make available this Code at every branch and on their website; and
 - iv. ensure that their staff are trained to provide relevant information about the Code and to put the Code into practice

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