



# **HINDUJA HOUSING FINANCE**

## **Policy on Fair Practice Code Version 2.0**

| <b>Version Tracker</b> |                                |                    |                |
|------------------------|--------------------------------|--------------------|----------------|
| <b>Particulars</b>     | <b>Date</b>                    | <b>Approved by</b> | <b>Version</b> |
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We, Hinduja Housing Finance Limited (hereinafter referred to as “HHF” or “we”), have framed and adopted a code, which sets the principles for fair practice standards when dealing with customers. The Code has been prepared based on the Guidelines issued by National Housing Bank on Fair Practices Code.

### **OBJECTIVES:**

- 1) To promote fair and good practices in dealing with the customers.
- 2) To increase transparency in the transactions between HHF and the customers, so that the customer can have an understanding of what he/she can reasonably expect of the services, from HHF.
- 3) To encourage market forces through competition, to achieve higher operating standards.
- 4) To promote fair and cordial relationship between customer and HHF.
- 5) To foster confidence in housing finance system.

### **FAIR & TRANSPARENT DEALINGS:**

- A. We shall act fairly and reasonably in all dealings with the customers by ensuring the following:
  - 1) HHF shall meet the commitments made and standards as per NHB'S guidelines on Fair Practices Code for the products and services that are being offered to the customers.
  - 2) The staff shall follow the procedures and practices as laid down by HHF.
  - 3) The products and services of HHF shall meet the relevant laws and regulations in letter and spirit.
  - 4) The dealings of HHF with the customers shall be based on ethical principles of integrity and transparency.
- B. We shall 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 must disclose 'all in cost' inclusive of all charges involved in processing / sanction of loan application in a transparent manner. It should also be ensured that such changes / fees are non-discriminatory.



### ADVERTISING, MARKETING AND SALES:

We shall ensure that:

- 1) All advertising and promotional materials are clear and do not mislead the customers.
- 2) Promotional literature on services and products, in any media shall include a reference to the interest rate. HHF shall also ensure to indicate the fees, charges, terms and conditions that are applicable for the products and services and are made available to the customers on request.
- 3) HHF shall ensure to provide the information on interest rates, fees and charges through
  - a) Notices displayed at Branch premises.
  - b) Telephone or help lines.
  - c) Company's website.
  - d) Designated staff/help desk.
  - e) Providing service guide/tariff schedule.
- 4) HHF shall ensure that the "third parties engaged" for providing support services shall handle customer personal information (if any available to such third parties) with the same degree of confidentiality and security as HHF would.
- 5) HHF may from time to time shall communicate to customers various features of the products availed by them. Information about the new products/other products /services shall be conveyed to the customers, only if the customer had given his/her consent to receive such information/services either by mail or by registering the same on the web site or on customer service number.
- 6) HHF shall prescribe a code of conduct for "Direct Selling Agencies" (DSA) if their services are engaged /availed in marketing products /services, to identify themselves when they approach the customer for selling the products personally or through phone.
- 7) In the event of receipt of any complaint from the customer that HHF's representative(s) / courier / DSA had engaged in any improper conduct or acted in violation of this code, appropriate steps shall be taken to investigate and to handle the complaint(s) and to make good the loss.

### LOANS:

#### A. Applications:

- 1) We had included all the questionnaire, columns and tables to elicit the information that is needed, in the application form, for taking credit decision. The data required in the



application form, shall enable the applicant(s) to compare the terms and conditions offered by HHL with other housing finance institutions, so that the customer is in a position to take his/her decision independently.

- 2) We have also provided perforated sheet at the end of application form, for giving acknowledgement, to the applicant, for having received the application form, with date & signature of the authorized person of HHF at the branch.

### B. Processing of Application Form & Terms and Conditions:

- 1) In the normal course, all the information that is needed is collected from the applicant at the time of submission of application form. The customer shall be informed at the time of accepting the application form, that the branch shall contact him/her again immediately, in case additional information is needed /required.
- 2) HHF shall issue to the applicants a Sanction Letter, conveying there in the "Terms and Conditions" of sanction/approval. The sanction letter indicates the loan amount approved, tenure, annualised rate of interest, mode of rest, amount of processing fee received & balance payable, principal security and/or collateral security, guarantor (wherever applicable), special conditions and other terms of sanction. If the applicant accepts for the terms and conditions stated in the sanction letter, then he/she should sign on the sanction letter with date, as acceptance of the sanction letter.
- 3) HHF 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.

### C. Communication of rejection of Loan Application

If HHF cannot provide the loan to the customer, it shall communicate in writing / Email / SMS the reason(s) for rejection.

### D. Disbursement of loans including changes in terms and conditions

- 1) Disbursement shall be made in accordance with the terms and conditions stated in the "schedule" of the loan agreement.
- 2) HHF shall give notice to the borrower of any change in the terms and conditions of the loan agreement. HHF should also ensure that changes, if any in interest rates and charges are effected only prospectively and a suitable condition in this regard is incorporated in the loan



agreement. If the changes, if any made in the loan agreements are disadvantage to the customer, he/she may within 60 days & without notice close his /her loan account or switch it without paying any extra charges or interest.

- 3) Decisions of HHF to recall the advance or accelerate the payment or performance under the agreement or seeking additional securities shall be in consonance with the loan agreement.
- 4) HHF shall release all the securities charged to HHF upon repayment of all dues, subject to right or lien for any other claim/guarantee, which is outstanding against the borrower. HHF shall give notice to the borrower if right of lien is proposed to be exercised or HHF is entitled to retain the securities till the relevant claim is settled or paid.

### **GUARANTOR:**

When a person intends to be a guarantor to a loan, he/she shall be informed about

- 1) His/her liability as guarantor.
- 2) The amount of liability he/she will be committing himself/herself to HHF
- 3) Circumstances under which the HHF will call on him/her to pay up the borrower's liability.
- 4) Whether HHF has recourse to his/her other monies in HHF, if he/she fail to pay up as a guarantor.
- 5) Whether his/her liabilities as a guarantor are limited to a specific quantum or they are unlimited.
- 6) Time & circumstances in which his/her liabilities as guarantor will be discharged as also the manner in which HHF shall notify him/her about this.
- 7) 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 wilful defaulter.

HHF 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.

### **PRIVACY AND CONFIDENTIALITY**

We shall treat the personal information of customer even when the customer is no longer a customer as private and confidential. We will not reveal the data or information of customer to anyone including other companies in the group except when:



- a) Required by law
- b) Duty towards public to reveal information
- c) Our interest requires giving information to anyone else, including other companies in the group, for marketing purposes
- d) If the customer asks HHF to reveal the information or with the customer's permission
- e) If HHF's are asked to give a reference about customers, they shall obtain prior written permission from the customer before giving it.
- f) We will inform the customer about his rights/liabilities under the Laws of India for accessing the personal records that we hold about him/her.
- g) We will not use customer's personal information for marketing purposes unless the customer specifically authorizes us to do so.

### **CREDIT REFERENCE AGENCIES**

- 1) We shall inform customer of the circumstances when we will pass on the account details to credit reference agencies.
- 2) We may give information to credit reference agencies about the personal debts the customer owes us if:
  - a) The customer has fallen behind his/her payments
  - b) The amount owed is not in dispute
  - c) The customer has not made proposal following our formal demand for repayment of dues.
- 3) We shall intimate the customer in writing in such a case. At the same time, we shall explain to the customers the role of credit reference agencies and the effect the information they provide can have on customer's ability to get credit.
- 4) We shall give information about the customer's account to credit reference agencies if the customer has given his/her permission to do so.
- 5) We shall provide relevant information given to credit reference agencies if demanded by the customer.

### **COLLECTION OF DUES**

- 1) When the loans are given, we shall explain to the customer the repayment process by mentioning amount, tenure and periodicity of repayment in the welcome letter. 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.

- 2) Our collection policy/ process shall be built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or / and security repossession shall identify himself / herself and display the authority letter issued by us and upon request, display his / her identity card issued by the Company or under authority of the Company. HHF will provide customers with all the information regarding dues and shall endeavour to give sufficient notice for repayment of dues.
- 3) All the members of the staff or any person authorized to represent us in collection and / or security repossession shall 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 Company shall be made known to the customer at the first instance.
  - c) Customer's privacy would be respected.
  - d) Interaction with the customer shall be in a civil manner.
  - e) Our 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) We will endeavor to consider the customer's request to avoid calls at a particular time or at a particular place and such requests shall be honoured, as far as possible.
  - g) A tracker with time and number of calls and gist of conversation would be maintained.
  - h) All assistance would 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 would be avoided for making calls / visits to collect dues.

## **COMPLAINTS AND GRIEVANCES**

- 1) We shall adopt a system of receiving, registering and disposal of complaints and grievances at all its branches and offices.
- 2) We shall inform the customer about the procedure followed for handling complaints fairly and quickly on our website, as and when launched.
- 3) If we receive the complaint in writing from the customer, we shall send him/her an acknowledgement /response within a week. If we receive a complaint over phone from a customer, we will provide the customer with a complaint reference number and keep him informed of the progress.
- 4) After examining the matter, we shall send the final response to the customer or explain him reason why we need more time to respond and will try to do so within six weeks of the complaint.
- 5) The grievance redressal procedure is published on our website, as and when launched.

## **GENERAL**

- 1) If we think necessary, we shall verify the details mentioned by the customer in the loan application by contacting the customer at his/ her residence and/or business addressees through agencies appointed for the purpose.
- 2) The customer is expected to co-operate if the Company needs to investigate a transaction on the customer's account and with the police/ other investigative agencies, if the Company needs to involve them.
- 3) If the customer acts fraudulently, he / she will be responsible for all losses and if the customer acts without reasonable care and this causes losses, then he / she will be responsible for the same.
- 4) We shall give customers information about our products and services in English normally. However, if requested by the customer, such information shall be provided in Hindi or any other appropriate local language.
- 5) We will not discriminate between our customers on grounds of sex, caste and religion. Further, HHF will not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude us from instituting or participating in schemes framed for different sections of the society.





- 6) We 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 publicise the code, we will:
  - 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 and on their website; and
  - d) ensure that the staff are trained to provide relevant information about the Code and to put the Code into practice.
- 8) The Board of Directors of HHF will do a periodical review of the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management. A consolidated report of such reviews will be submitted to the Board at regular intervals.