



FAIR PRACTICES CODE

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1. INTENT:

In keeping with the guidelines on Fair Practices Code for HFCs by National Housing Bank, Habitat Microbuild India (MBIND) has formulated this Code which comes into force from January 1, 2015. In this code, 'we' denotes MBIND.

2. OBJECTIVES AND APPLICATION:

2.1 Objectives of the Code:

The Code has been formulated to:

- a) follow good, fair and transparent business practices by setting reasonable standards;
- b) achieve higher operating standards;
- c) establish fair and cordial relationship with the customers; and
- d) set such standards and practices that instill confidence in the housing finance system.

2.2 Application of the Code:

All parts of this Code apply to all the products and services we offer as an employee, or otherwise in any manner and/or by any mode.

3. FAIR PRACTICES WITH BORROWERS:

We shall act fairly and reasonably in all dealings with customers, by:

- a) meeting the commitments and standards in this Code for our products and services and in the procedures and practices followed by our staff
- b) offering products and services that meet relevant laws and regulations in letter and spirit.
- c) meeting with ethical principles of integrity and transparency during its interaction with customers

4. ADVERTISING, MARKETING AND SALES

4.1 We shall:

- a) make all advertising and promotional material clear, and truthful.
- b) in any of our advertisement, in any media that includes information on interest rate of loan, shall cite other commercial terms that may apply, and that on request, complete terms and conditions will be made available
- c) provide information on interest rates, common fees and charges through putting up notices in our branches; and through any other media intended for customer interaction.
- d) have the third parties oblige to handle customer's personal information with the same degree of confidentiality and security as we would, whenever such support services are availed from third parties
- e) from time to time, communicate to customers various features of our products availed by them. However information about our other products or promotional offers in respect of products/services, shall be conveyed to customers only upon receiving their consent over mail

or through registration on our website or customer service number to receive such information / service.

- f) prescribe a code of conduct for our Business Associates or Direct Selling Agencies 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) initiate appropriate steps to investigate and to handle complaints, if any, and to make good the loss, regarding complaints received from customers related to improper conduct or any act in violation of this Code by our Business Associate / representative / courier or DSA.

5. LOANS

5.1 (i) Applications for loans and their processing

- a) Our loan application forms shall include necessary information which affects the interest of the borrower. Our loan application form shall indicate the list of documents required to be submitted with the application form.
- b) We shall give acknowledgement for receipt of all loan applications containing time frame within which loan applications will be disposed of

(ii) Loan appraisal and terms/conditions

- a) Typically we shall collect all particulars required for processing the loan application at the time of application. In case we need any additional information, the customer shall be told that he/she would be contacted immediately again.
- b) We shall convey in writing to the borrower by means of sanction letter, 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 our record.
- c) We shall always 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 disbursement of loans.

(iii) Communication of rejection of Loan Application

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

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

- a) Disbursement shall be made in accordance with the disbursement schedule given in the Loan Agreement.
- b) We shall 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. We shall not effect change in interest rates in retrospect. A suitable condition in this regard shall be incorporated in the loan agreement.

- c) When such change is considered to be a disadvantage by the customer, the borrower will be allowed to, within 60 days and without notice, close his / her account or switch it without having to pay any extra charges or interest.
- d) Any decision to recall / accelerate payment or performance under the agreement or seeking additional securities, shall be in consonance with the loan agreement.
- e) We 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. If such right of set off is to be exercised, the borrower will be notified about the same with full particulars about the remaining claims and the conditions under which we are entitled to retain the securities till the relevant claim is settled /paid.

5.2 Guarantors

We shall inform the guarantor about:

- a) his/her liability as guarantor;
- b) the amount of liability he/she will be committing him/herself to MBIND;
- c) circumstances in which we will call on him/her to pay up his/her liability;
- d) whether we have a recourse to his/her other monies in MBIND 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;
- f) time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which we will notify him/her about this; and
- g) the cases when he/she will be treated as a willful defaulter i.e. when he/she refuses to comply with the demand made by the creditor/lender, despite having sufficient means to make payment of the dues or any other cases as notified by NHB from time to time.

We 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.

5.3 Privacy and Confidentiality

We shall treat all personal information of customers as private and confidential, and are guided by the following principles and policies. We shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, 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 interests of MBIND require them to give the information (for example, to prevent fraud);
- d) If prior permission is obtained from the customer;
- e) If we are asked to give a reference about customers, we shall obtain his/ her written permission before giving it;
- f) We shall inform the customer the extent of his/ her rights under the existing legal framework for accessing the personal records that is held by MBIND; and

- g) We shall not use customer's personal information for marketing purposes unless the customer specifically authorizes us to do so.

5.4 Credit reference agencies

- a) We shall inform the customer when we may make the checks with credit reference agencies and when we may pass his / her account details to them, if a loan account is opened
- b) We 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 are satisfactory for repaying his / her debt, following our formal demand
- c) In these cases, we shall intimate the customer in writing that we plan to give loan account details of the customer to credit reference agencies. At the same time, we shall explain to the customer the role of credit reference agencies and how the information we provide might affect customer's ability to get credit
- d) We may give credit reference agencies other information about the customer's account only if the customer has given us the permission to do so.
- e) A copy of the information given to the credit reference agencies shall be provided to customers, if so demanded.

5.5 Collection of dues

5.5.1 When a loan is given, the repayment process by way of amount, tenure and periodicity of repayment shall be explained to the customer. However if the customer does not adhere to repayment schedule, a defined process, conforming to prevailing law, is followed for recovery of dues which involve reminding the customer by sending him / her notice or by making personal visits and / or repossession of security if any.

5.5.2 Courtesy, fair treatment and persuasion form the basis of our collection policy. Our staff or any person authorized to represent us in collection of dues or / and security repossession shall identify themselves and display the authority letter and identity card issued by MBIND or under authority of the company. We shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.

5.5.3 All the members of the staff or any person authorised to represent us in collection or / and 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 MBIND shall 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) We shall contact the customers between 0700 hours and 1900 hours, 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 shall 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 shall be maintained.
- j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions shall be avoided for making calls/visits to collect dues.

5.6 Complaints and Grievances

5.6.1 Internal Procedures

- a) We shall have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- b) An appropriate mechanism for grievance redressal laid down by our board of directors shall form the basis to resolve complaints and grievances
- c) We shall convey to customers where to find details of our handling of complaints
- d) If the customer wants to make a complaint, he/she will be told:
 - i. How to complain
 - ii. Where a complaint can be made
 - iii. When to expect a reply
 - iv. Whom to approach for redressal
 - v. What to do if the customer is not happy about the outcome.
 - vi. Our staff shall help the customer with any other questions the customer has
- e) If we receive a complaint in writing from a customer, we shall endeavor to send him/her an acknowledgement / response within a week. The acknowledgement shall contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at our 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, we shall send the customer our final response or explain why it needs more time to respond and be endeavored to do so within six weeks of receipt of a complaint and we shall inform the customer how to take his/her complaint further if he/she is still not satisfied.
- g) We shall publicise our grievance redressal mechanism and specifically make it available on our website.

6. GENERAL

- a) We shall verify the details furnished by customers in the loan application directly or through our business associate or agencies appointed for the purpose.
- b) We shall inform the customers to cooperate if there is a need to investigate a transaction on the customer's account and with the police/ other investigative agencies, if they are needed.
- c) We shall 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.
- d) We shall inform customer about our products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- e) We shall not discriminate on grounds of sex, caste, religion and disability in the matter of lending.
- f) We shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
- g) To publicise the Code, we shall:
 - 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 our website; and
 - iv. provide training to the staff on providing relevant information about the Code and to put the Code into practice.
- h) The Board of Directors shall carry out 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 will be made available to Board at regular intervals, as may be prescribed by it.