

# **Fair Practice Code Policy**

## **Fair Practice Code**

Cent Bank Home Finance Limited is subsidiary of Central Bank of India incorporated under Companies Act, 1956. The main object of the Company is providing long term loans for construction/purchase/extension/repairs/renovation of immovable residential properties.

## **Objectives and Application:**

This Code has been formulated in compliance of the guidelines issued by Reserve Bank of India vide their circular no. RBI/2020-21/73/DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

## **The Code has been developed:**

- To promote good and fair practices by setting minimum standards in dealings with customers;
- To increase transparency so that the customer can have a better understanding of the services;
- Promote a fair and cordial relationship between customer and Company. This Code is applicable to all the persons utilizing the services of the Company.

## **Loans:**

### **Applications for loans and their processing**

- Company will include in the application form the necessary information which affects the interest of the borrower, so that the meaningful comparison with the terms and conditions offered by other HFC can be made and informed decision can be taken by the borrower.
- Company will give proper acknowledgement for the receipt of all loan applications.
- We will shortly make arrangement for on-line filing of loan applications, with facility of on-line tracking also, by creating appropriate links on our website.

### **Loan Appraisal and terms/conditions**

- Company will communicate to the borrower by fastest mode for any information required for processing of loan application.
- Company will communicate the sanction through a letter containing amount of loan sanctioned, rate of interest applicable, method of application, EMI Structure, prepayment charges and other terms and conditions. A duly accepted copy of such letter will be kept on record.
- Company will furnish a copy of the loan agreement along with the copy of other enclosures to the borrower.

### **Communication of rejection of loan application**

- Company will communicate the reasons for rejection of the loan proposal to the borrower.

### **Disbursement of loans including changes in terms and conditions**

- Company will disburse the sanctioned amount in accordance with the terms of sanction/loan agreement.
- Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc.
- If such change is to the disadvantage of the customer, he may within 60 days and without notice, close his or her account without having to pay any extra charges or interest.
- Decision to recall/accelerate payment or performance under the agreement or seeking additional securities, will be in consonance with the loan agreement.
- Company will release all securities on repayment of all dues or on realization of the outstanding amount subject to any legitimate right or lien for any other claim Company may have against the borrower. If such right of set off is to be exercised, the Company will give notice to the borrower about the same with full particulars

### **Guarantors**

When a person is considering to be a guarantor to a loan, he/she will be informed about:

- His/her liability as guarantor;
- The amount of liability he/she will be committing him/herself to the Company;
- Circumstances in which HFC will call on him/her to pay up his/her liability.
- Whether HFC has recourse to his/her other monies in the Company if he/she fails to pay up as a guarantor;
- Whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- Time and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which the Company will notify him/her about this.

Company will keep the guarantor 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**

All personal information of customers will be treated as private and confidential [even when the customers are no longer customers], and will be guided by the following principles and policies. Company will not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies/entities in the group, other than in the following exceptional cases:

- If the information is to be given by law

- If there is a duty towards the public to reveal the information
- If the Company's interest require 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
- If the customer asks the Company to reveal the information, or with the customer's permission
- If the Company is asked to give a reference about customers, his/her written permission will be taken before giving it
- The customer will be informed the extent of his/her rights under the existing legal framework for accessing the personal record that the Company holds about him/her.
- Company will not use customer's personal information for marketing purposes by anyone unless the customer specifically authorizes the Company to do so.

### **Credit reference agencies**

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

### **Commitment:**

- The Company shall follow the ethical principles of integrity and transparency and meet the standard practices prevailing in the industry and follow the guidelines as issued by Reserve Bank of India.
- The Company shall provide required information to the customers regarding its products and services, interest rates and charges, terms and conditions of the Company, etc.,
- The Company shall take all the necessary steps for easy accessibility of this Code to all persons. A copy of the Code will also be available on Company's website.
- Before entering into any dealing with the customers, Company will explain all the terms and conditions such as rate of interest to be charged, method of charging interest, pre-closure

charges, etc. The information will be given either through brochures, pamphlets or through face to face interaction with the customers.

- Company will keep on informing the changes in the rate of interest or any other terms and conditions which financially impact the customer, through letters, publication in news papers or through our website.
- Regarding deposits, Company will before entering into transaction with the customer, shall provide all the necessary information such as terms of deposit, rate of interest, terms of renewal, premature withdrawals, demand loans, etc.
- The Company will disclose the procedures and practices followed by Company.
- The Company shall assist its customers towards compliance of Know Your Customer guidelines.

### **Collection of dues:**

Company shall provide all the details and schedule for payment of monthly EMI on time. Company will also provide the charges to be borne by the borrower for default in repayment, charges of the recovery agency in case the case is handed over to recovery agents.

Company will also inform the course of action adopted for recovery of dues with the borrowers in case of default.

### **Complaints and grievances**

- Company has a process for receiving, registering and disposing of complaints and grievance in each of its office and through online.
- Company shall reply in writing in response to a complaint received in writing.
- Company will display in its offices and in website grievance redressal procedure and escalation matrix including NHB online complaint portal details.

### **Company shall give the customer information:**

- 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 the Company.
- The customer will be informed to cooperate if the Company needs to investigate a transaction on the customer's account and with the Police/ other investigation agencies, if the Company needs to involve them.
- The Company will advise the customer that if the customer acts fraudulently, he/ she will be responsible for all the 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.
- About the products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- Company will not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude Company from instituting or participating in schemes framed

for different sections of the society.

- Company shall process requests for transfer of a loan account, either from a borrower or from a bank/ financial institution, in the normal course.
- To publicize the Code, the Company shall:
  1. provide existing and new customers with a copy of the Code.
  2. make the Code available on request either over the counter or by electronic communication or mail;
  3. make available this Code at every branch and on Company's website; and
  4. ensure that the staff is trained to provide relevant information and the Code and put the Code into practice.
- The Board of Directors of the Company will ensure periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.

### **Charging of interest**

- Interest from customers shall be charged from the date of actual disbursement of the funds. In case of loans being disbursed by cheque, interest from customers shall be charged from the date of cheque handed over to the customers.
- In the case of disbursal or repayment of loans or advance payment of EMI during the course of the month, the interest to be charged only for the period for which the loan is outstanding.

### **Rate of interest, fees and other charges**

Company shall before entering into transaction with the customer provide the applicable rate of interest to the borrowers/depositors for the scheme opted by them.

The changes in the rate of interest will further be intimated to the borrowers.

- Login fees: - Rs.2000+ GST as applicable taxes,
- Processing fees: - As per sanction terms. Applicable processing fee will be charged in addition to login fee and will be deducted from the loan amount. The annexure enclosed.
- Inspection charges will be borne by the applicant,
- Conversion - Floating to Fixed/ Fixed to Floating:
  - Conversion within initial fixed rate of 3 years- 2% of outstanding Loan amount plus applicable GST
  - Conversion after completion of 3 years of Loan- 0.25% of outstanding Loan amount plus applicable GST
- Late payment fees:- 2% per month on the delayed EMI/PEMIS
- Stamp duty & other charges towards creation of EM will be borne by the applicant.
- Cheque/NACH Return (dishonour) charge shall be RS 500/- plus GST
- Pre-payment charges:- Housing loans: No charges for the loans on floating rates. For loans on fixed rates, prepayment charges @3% in case if taken over by other FI. No charges If paid out of own sources.

- Non-housing loans: 3% of the amount pre-paid. No charges for the loans on floating rates.
- Document retrieval charges: - Rs.2500/- plus applicable taxes.
- List of documents providing charges: - Rs.500/- plus applicable taxes.
- Photocopies of title deed: - Rs.1000/- plus applicable taxes.
- Statement of account charges: - Rs.200/- plus applicable taxes.
- Pre closure statement /letter charges: - Rs.500/- plus applicable taxes.
- Late EMI payment charges/overdue charges: - 2% per month on the amount overdue for the number of delay.
  - Recovery charges:- Costs, Charges including incidental charges. Minimum charges would be Rs.500/- plus applicable taxes.
  - CERSAI Charges: - Rs100/- plus applicable taxes.

### **Know you customer (KYC) guidelines**

Customers will be advised to submit the necessary proofs such as Aadhaar Card, Passport, PAN card, etc. for verification of identity and for address verification. The above are required for compliance of KYC norms.

### **Return of title deeds**

The original title deeds deposited by the borrower will be returned to the borrower/their legal heirs on clearance of entire liability of the borrowers/guarantors.

### **Advertising, marketing and sales**

Company will ensure that all advertising and promotional material are clear and not misleading and full details of the relevant terms and conditions are available on request. Company will provide information on interest rates, common fees and charges through putting up notices in the branches. Company will, from time to time, communicate to customers various features of the products and services availed by them.

## **Processing Fee Grid for Various Programs & Products**

Product	Income Based Program	Income Estimation Program	Low LTV Program	Post Pension Program	Affordable Program	GST Turnover Program	Banking Surrogate Program	Repayment Track Record Program	Gross Receipts Program
Ready to move / Under construction									

Under Construction + Construction	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Property from Builder/Society									
Re-sale (Purchase of property-Fully & Partly constructed)									
Self-Construction									
Composite Loan (P+C) - Residential									
Home Improve / Repair Renovation									
CRE- Loan for 3rd dwelling unit onwards	1.00%	1.00%	1.00%	1.00%	NA	1.50%	1.50%	1.50%	1.50%
Takeover (BT)	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Takeover & Top up (BT + Top Up)									
Top up (additional loan on already financed property)									
Home Loan to NRI	1.50%	NA	1.50%	NA	NA	NA	NA	NA	NA
LAP against	1.00%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%

'Residential ' property									
LAP on Govt. allotted Plot, including resale of Govt. allotted plots (Residential)	1.50%	1.50%	1.50%	1.50%	NA	2.00%	2.00%	2.00%	2.00%
LAP on Govt. allotted Plot, including resale of Govt. allotted plots (Commercial)	1.75%	1.75%	1.75%	1.75%	NA	2.00%	2.00%	2.00%	2.00%
LAP against 'Commercial' property	1.00%	1.50%	1.50%	1.50%		2.00%	2.00%	2.00%	2.00%
Commercial Property Purchase	1.50%	1.50%	1.50%	1.50%					
Residential / Commercial Plot from Govt. Authority and Home Equity	1.50%	1.50%	1.50%	1.50%					
Notes to Annexure:									
1.) An Additional Processing Fee (PF) of 0.50% will be applicable if the time gap between the existing loan and the top-up loan is less than six months (6 EMIs). However, the gap must not be less than three months (3 EMIs).									
2.) A Login Fee of Rs. 2,000/- plus applicable taxes will be collected at the time of file login and is non-refundable.									

3.) 'NA' mentioned above indicates that the “Programme & Product” combinations in those cases are not allowed.

4.) A Legal Fee of Rs. 4,000, a Technical Fee of Rs. 3,000, RCU Fee, CERSAI Fee, Document Handling Charges, and PEMI, plus applicable taxes, will be charged in addition to the login fee and processing fee. These charges will be deducted from the loan amount.

5.) The applicable processing fee will be charged in addition to the login fee and other fees and charges, and it will be deducted from the loan amount.

6.) Insurance premium charges will be deducted from the loan amount

### **Release of Property Documents**

- The Company (CBHFL) shall release all the original immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.
- The Company (CBHFL) shall give option to the borrower of collecting the original movable/the banking outlet / branch where the loan account was serviced or any other office of the Company (CBHFL) where the documents are available, as per her / his preference.
- In the contingent event of demise of the sole borrower or joint borrowers, the Company (CBHFL) shall return original immovable property documents only to the surviving borrowers and legal heirs. In the event of demise of one borrower in joint loan account, the Company shall return documents to the legal heirs of the deceased borrower along with surviving borrower. The documents will be handed over to the property owner or the legal heir of the property owners only.

### **Compensation for Delay in Release of Immovable Property Documents**

- In case of delay in releasing of original property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, the Company (CBHFL) shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Company (CBHFL), it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
- In case of loss/damage to original property documents, either in part or in full, the Company (CBHFL) shall assist the borrower in obtaining duplicate/certified copies of the property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, an additional time of 30 days will be available to the Company (CBHFL) to complete this procedure and the delayed period penalty will be

calculated thereafter (i.e., after a total period of 60 days).

- The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

### **Penal Charges in Loan Accounts**

- Penalty for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. There shall be no capitalization of penal charges i.e., no further interest computed on such charges. The Company (CBHFL) shall not introduce any additional component to the rate of interest.
- Reminders for non-compliance of material terms and conditions of loan are sent to borrowers. The applicable penal charges shall be communicated. Further, any instance of levy of penal charges and the reason therefor shall be shown in SOA.

<b>CUSTOMER SERVICE &amp; GRIEVANCE REDRESSAL CHANNELS</b>			
<b>Customer Service Channels:</b>			
<b>Service Points</b>	<b>Mode</b>	<b>Timing</b>	<b>Contact Details</b>
Branch	Visit	10:00 am to 06:00 pm (except weekly closing day & holiday)	Branch Address & Phone No.
	Telephone		
	Writing		
Head Office	Toll Free Number		1800 8896 606
	E-Mail		<a href="mailto:customer.care@cbhfl.com">customer.care@cbhfl.com</a>
	Web site		www.cbhfl.com (Reach us - Contact us)
	Correspondence		<b>Customer Service Cell</b> Cent Bank Home Finance Limited, Central Bank of India Building, MMO, 6 <sup>th</sup> Floor, MG Road, Flora Fountain, Hutatma Chowk, Mumbai- 400023

Grievance Redressal Channels: If you wish to register complaint for service deficiency		
Level 1	Branch Manager	10: 00 am to 06:00 pm (except weekly closing day & holiday)
	Grievance Redressal Cell	Grievance Redressal Cell Cent Bank Home Finance Limited, Central Bank of India Building, MMO, 6 <sup>th</sup> Floor, MG Road, Flora Fountain, Hutatma Chowk, Mumbai- 400023
Level 2	Officer In-charge – Customer Care	<a href="mailto:grievanceredressal@cbhfl.com">grievanceredressal@cbhfl.com</a>
Level 3	Central Nodal Officer	Name: Central Nodal Officer Cent Bank Home Finance Limited, Central Bank of India Building, MMO, 6 <sup>th</sup> Floor, MG Road, Flora Fountain, Hutatma Chowk, Mumbai- 400023
<p>If complaint is not resolved within 30 days after escalation, you may lodge your complaint with:</p> <p><b>National Housing Bank (NHB)</b> Department of Regulation &amp; Supervision (Complaint Redressal Cell) 4th Floor, Core-5A, India Habitat Centre, Lodhi Road, New Delhi - 110 003 website: <a href="http://grids.nhbonline.org.in">grids.nhbonline.org.in</a></p>		

#### Internal Machinery to handle Customer complaint:

- Different channels are available for different services or all services to Customer at Branch and/or Head Office. However, if Customer is not satisfied with the service/(s) provided by the Company, Customer may raise complaint orally over phone or in writing or electronically (mail, website).
- **Level 1:** Customer can lodge complaint with “Branch Manager” at Branch or write to “Grievance Redressal Cell” at Corporate Office (Address: Grievance Redressal Cell, Cent Bank Home Finance Limited, Central Bank of India Building, MMO, 6th Floor, MG Road, Flora Fountain, Hutatma Chowk, Mumbai- 400023).
- **Level 2:** If Customer does not get response of his/her complaint within 10 days after lodgement of his/her complaint at ‘Level 1’, Customer can write to “Officer In-charge – Customer Care”. E-mail Id is [grievanceredressal@cbhfl.com](mailto:grievanceredressal@cbhfl.com).
- **Level 3:** Customer can write to “Central Nodal Officer” at the address mentioned above (para 2) if his/her complaint is not addressed / addressed unsatisfactorily after expiry of 10 days after writing to “Officer In-charge – Customer Care” ([grievanceredressal@cbhfl.com](mailto:grievanceredressal@cbhfl.com)) (level 2).