

## **NATIONAL TRUST HOUSING FINANCE LIMITED**

### **FAIR PRACTICE CODE**

This policy is reviewed and approved by the Board of Directors in their 111th Meeting held on 15<sup>th</sup> February 2018.

#### **1. Purpose of Code**

- a) Promote good and fair practices by setting minimum standards in dealing with customers.
- b) Increase transparency so that the customers can have a better understanding of what he/she can reasonably expect of the services.
- c) Encourage market forces, through competition, to achieve higher operating standards.
- d) Promote a fair and cordial relationship between customer and NATRUST.
- e) Foster confidence in the housing finance system.

#### **2. Applicability**

This code is applicable to all products and services provided directly by staff members of NATRUST, or through its authorized representatives across the counter, over phone, by post or through company website.

#### **3. Commitment to customers**

- a) NATRUST shall not discriminate amongst its customers on the basis of gender, physical ability, race or religion.
- b) To act fairly and reasonably in all dealings with customers, by ensuring that:
  - i) NATRUST meets the commitments and standards set in this Code for the products and services offered and in the procedures and practices that our staff follow.
  - ii) NATRUST products and services meet relevant laws and regulations in letter and spirit.
  - iii) NATRUST dealings with customers rest on ethical principles of integrity and transparency.
- c) To help customers understand NATRUST's financial products and services by:
  - i) Informing customers about our products and /or services in English and in local language, wherever possible.
  - ii) Ensuring that customers are given detailed information about our products and services, terms and conditions, interest rates and service charges, as applicable .
  - iii) Informing customer on the benefits offered to them; means for availing the same; its financial implication; and details of contact to approach for clarifications, if any in this matter.
- d) To help customers to avail the products and services by:
  - i) Providing them regular and appropriate updates.
  - ii) Keeping them abreast of changes in interest rates, service charges and/ or other terms and conditions.

- e) To deal quickly and earnestly with matters that may go wrong, on account of NATRUST by:
  - i) Taking corrective measures promptly and reversing charges, if any
  - ii) Handling customers' complaints promptly.
  - iii) Assisting customers to take their complaint forward, if they are still not satisfied.
  - iv) Providing suitable alternative avenues to alleviate problems arising out of technological failures.
- f) To treat all personal information of customers as private and strictly confidential except those mentioned in paragraph number 8 & 9 below.
- g) To publicise the code NATRUST shall:
  - i) make available this Code at every branch and in company's website; and
  - ii) ensure that company staff are trained to provide relevant information about the Code and to put the Code into practice.

#### **4. Advertising, Marketing & Business Promotion**

NATRUST shall ensure that all advertising and promotional materials are clear, transparent and not misleading.

If any of its advertisement, promotional material that draws attention to a service or a product also refers to applicable interest rate and charges, then full details of terms and conditions of the such services/products shall be made available to customers, on request.

Information on interest rates, service charges and details of services will be displayed in all our branches and also in our website.

All information of customers shall be kept confidential. If any third party/vendor is utilized for services, it shall be ensured that same level of confidentiality is maintained by vendors also.

The Company shall communicate / contact customers for any product promotion only if customer gives his consent to receive such information.

Staff members of NATRUST shall approach customers with proper identity of themselves such as employee ID card with photo.

In the event of receipt of any complaint from the customer against our representatives regarding improper conduct or violation of this code, the same shall be investigated immediately and appropriate redressal measures shall be taken.

#### **5. Applications for Loan and its processing**

- a. All relevant information pertaining to the loan will be made available in the relevant loan application forms/ agreements. This will include information on the loan, its terms and conditions i.e. rate of interest, period of loan, security documents and the documents that are required to be submitted for the loan. A list of requisite documents shall accompany all our application form to enable our customers to arrange for the same with ease. We shall inform customers that he/she shall be contacted if we find that the documents submitted are insufficient or need clarifications.

- b. Receipt of completed application forms will be duly acknowledged by us. The same shall be processed within a specified time frame of maximum 30 days upon which the client shall be informed of the status of his application.

All loan applications will be assessed in accordance with NATRUST's internal credit appraisal norms.

A copy of the loan agreement along with a copy of each of enclosures quoted in the loan agreement shall be furnished to the borrower at the time of sanction / disbursements of loans.

Sanction of loan shall be communicated to the prospective borrower by means of sanction letter /loan agreement with required information detailing the terms and conditions subject to which the loan is permitted. The customer's acceptance of the loan, its terms and conditions shall be obtained by means of a letter from him . NATRUST shall communicate rejection of loan in writing to the customer with reason/s.

We adhere to the disbursement schedule and ensure that loan is disbursed under the conditions mentioned in our Sanction letter and Loan agreement. Our decision to recall/accelerate payment or performance/seeking additional securities shall be in line with the loan agreement.

- c) Changes in interest rates  
NATRUST shall notify changes in interest rates, if any, to the customers as and when company modifies its interest rate
- d) Fees & Charges
  - 1) NATRUST shall display in their branches:
    - i. A notice about the tariff schedule.
    - ii. A list of services which are rendered free of charge.
    - iii. NATRUST 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 re-set clause and any other matter which affects the interest of the borrower. In other words, NATRUST must disclose 'all costs' inclusive of all charges involved in processing / sanction of loan application in a transparent manner.
  - 2) NATRUST shall provide its customers information about the penalties to be levied in case of non-compliance / violation of any of the terms and conditions governing the product / services chosen by them.
  - 3) All such charges / fees are non-discriminatory.
- e) Changes in fees & charges  
Changes in fees and charges shall be notified to the customers in time.
- f) Terms and conditions:
  - a) At the very first instant, the customer shall be advised on the relevant terms and conditions of any loan/ service provided by NATRUST.
  - b) All terms and conditions shall be fair.

**6. Disbursement of loans including changes in terms and conditions of NATRUST products:**

- a) Any changes in the terms and conditions, not to the advantage of the borrower, such as interest rates, service charges, prepayment charges etc. shall be informed to the client in writing.
- b) Decision to recall any loan shall be done in accordance with the terms and conditions of the loan agreement.

We shall release all securities on repayment of all dues and realization of the outstanding as per loan agreement including overdue interest, incidental charges, recovery charges as the case may be. If the securities are subject to exercise of any right of set off, a notice shall be given to the borrowers with full particulars about the claims and conditions under which NATRUST is entitled to retain the securities till the relevant claim is settled/paid to our satisfaction.

## **7. Guarantors**

When a person is considered as guarantor to a loan, we shall inform him/her about:

- his/her liability as guarantor which shall co-exist with that of the principal debtor
  - the amount of liability he/she will be committing him/herself to the company;
  - circumstances in which NATRUST will call on him/her to pay up his/her liability;
  - whether NATRUST has recourse to his/her other monies in the company if he/she fail 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 NATRUST will notify him/her about this
- NATRUST 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.

## **8. Privacy and Confidentiality.**

NATRUST will treat all its customer's personal information as private and confidential and will not reveal details of customers dealings with us to a third party, except as provided herein and in the following exceptional cases:

- a) If NATRUST have to give the information by law.
- b) If there is a duty towards the public to reveal the information.
- c) When NATRUST has tie up arrangements for providing other financial products related to the loan such as various forms of insurance to protect company's interest.
- d) If Company interest expects to share the information to protect the company or our group companies.
- e) Where Company receives a request received from the customer by letter/email.
- f) To credit reference agencies, lawyers, other third parties if the customer has delayed or defaulted his/her payments or the amount owed is in dispute.

The Company shall not share customer information to any third party including group companies for marketing purposes.

## **9. Credit Reference Agencies:**

- a. When a customer opens an account, NATRUST shall inform him/her when it may pass his / her account details to credit reference agencies and the checks NATRUST may make with them.
- b. NATRUST shall give information to credit reference agencies about the personal debts the customer owes them if:
  - i. The customer has defaulted his / her payments;
  - ii. The amount owed is not in dispute; and
  - iii. The customer has not made proposals that NATRUST are satisfied with, for repaying his / her debt, following NATRUST's formal demand.
- c. In these cases NATRUST shall 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, NATRUST shall 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. When a person applies for a loan product, we may pass on such details, for purposes of credit reporting, verification and risk management, as may be required. We will exchange information about our customers with reputable reference sources.
- e. We may give information to such credit reference agencies about the loans taken from us, repayment track record and other appropriate details to build credit profile.
- f. We may provide such credit reference agencies information about day to day running of account as per the consent provided by them in our loan agreement terms.

#### **10. Collection of dues:**

Whenever loans are given, NATRUST mentions in the sanction letter and in loan agreement, the condition under which loan is given along with the loan amount, repayment schedule, tenure, etc. 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 telephone/courier / speed post / sending him / her notice or by making personal visits and / or repossession of security if any.

- a) The NATRUST collection policy has been built on courtesy, fair treatment and persuasion. NATRUST believes in fostering customer confidence and long-term relationship. NATRUST staff 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 the NATRUST and upon request, display his / her identity card Issued by the NATRUST or under authority of the company. NATRUST shall provide customers with all the information regarding dues and shall endeavor to give reasonable notice for payment of dues and shall follow procedures as laid down in the internal guidelines.
- b) All the members of the staff or any person authorised to represent the NATRUST in collection or / and security repossession shall follow the guidelines set out below:  
Customer shall be contacted ordinarily at the place of his / her choice and in the absence of any specified place, at his / her residence and if unavailable at his / her residence, at the place of business / occupation.

- i) Identity and authority to represent the NATRUST shall be made known to the customer at the first instance.
- ii) Customer's privacy shall be respected.
- iii) Interaction with the customer shall be in a civil manner
- iv) NATRUST' representatives shall contact the customers ordinarily between 0700 hrs and 1900 hrs, unless the circumstances of the customer's business or occupation demands otherwise.
- v) Customer's request to avoid calls at a particular time shall be honoured as far as possible.
- vi) Time and number of calls and contents of conversation shall be documented.
- vii) All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- viii) During visits to customer's place for dues collection, decency and decorum shall be maintained.
- ix) Inappropriate occasions such as bereavement in the family or such other calamitous occasions shall be avoided for making calls/visits to collect dues.

**11. Grievance Redressal:**

- a) In case of any complaint/grievance, the borrowers may contact through any of the following channels:  
Name of the Officer: Mr. Ravi Kannan  
Designation: Chief Financial Officer  
Telephone : 044 -39940700-702  
Website : [www.natrusthome.com](http://www.natrusthome.com)  
E-mail : [kannanravi.nhbcs@natrusthome.com](mailto:kannanravi.nhbcs@natrusthome.com)

- b) NATRUST shall acknowledge receipt of the compliant immediately, duly mentioning the name, designation of the official in receipt of the complaint and shall also provide a reference number.

All grievances shall be heard and disposed off by a person at least one level higher to the person/designation against whom the compliant is lodged After due diligence, NATRUST shall endeavour to resolve the issue and communicate the decision to the complainant within 6 (six) weeks from the date of receipt of the complaint.

- c) The designated officer shall periodically review the implementation and compliance of this code including the redressal of grievances which shall be not more than one month. A report to this effect shall be provided by the designated officer for perusal of the Board.

- d) In case the complainant 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 in online mode at 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/Lodging-Complaint-Against-HFCs-NHB-Physical-Mode.pdf>, to Complaint Redressal Cell 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.