

SATIN Housing Finance Limited
Fair Practices Code (FPC)

This code has been formulated by SATIN Housing Finance Limited (hereinafter referred to as the "Company") pursuant to the guidelines issued by the National Housing Bank on Fair Practices Code (hereinafter referred to as "Code" or "FPC").

1. OBJECTIVES OF THE CODE

The Code has been formulated to:

- (a) Promote good and fair business practices by setting minimum reasonable standards in dealings with customers;
- (b) Increase transparency so that the customers can have a better understanding of what they can reasonably expect of the services;
- (c) Encourage market forces, through competition, to achieve higher operating standards;
- (d) Promote a fair and cordial relationship with customers;
- (e) Foster confidence in housing finance system by setting effective practices and service standards.

2. APPLICATION OF CODE

This Code is applicable to all the products and services, whether they are provided by the Company or subsidiaries across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other mode, except in the event of any force majeure. The Code is based on ethical principles of integrity and transparency and all actions and dealings shall follow the spirit of the Code.

3. COMMITMENTS

- (a) To act fairly and reasonably in all dealings with customers by ensuring that its dealings with customers rest on ethical principles of integrity and transparency.
- (b) Meeting the commitments and set standards for the products and services offer by the Company, and in the practices and procedures its staff follows;
- (c) Ensuring that Company's products and services meet relevant laws and regulations in letter and spirit.

4. ADVERTISING, MARKETING AND SALES

- a) The Company shall ensure that all advertising and promotional materials/ events are clear, transparent and not misleading.

- b) The Company, 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, shall also indicate whether other fees and charges, if any, will apply and that full details of the relevant terms and conditions are available on request.
- c) The Company will provide information on interest rates, common fees and charges through putting up notices in their branches/offices; through telephone or help-lines; on its website; through designated staff/ help desk; or providing service guide/ tariff schedule.
- d) If the Company avails of the services of third parties for providing support services, the Company shall 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 Company would.
- e) The Company 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 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.
- f) The Company shall prescribe a code of conduct for Direct Selling Agencies (DSAs) whose services are availed to market/ distribute the products/ services which amongst other matters require them to identify themselves when they approach the customer personally or through phone.
- g) In the event of receipt of any complaint from the customer that Company's representative/ or DSA 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, if any, to the customer.

5. **LOANS**

(i) **Applications for loans & their processing**

- (a) At the time of sourcing a loan product, the Company shall provide all necessary information which affects the interests of the customer so that a meaningful comparison with other HFCs/ Banks can be made and informed decision can be taken by the customer. The Loan application form shall contain the list of documents required to be submitted with the application form.
- (b) The Company shall transparently disclose to the customer 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 customer. The Company would also ensure that such charges/ fees are non-discriminatory.
- (c) The Company shall follow the System of giving Acknowledgement for receipt of Loan Applications. Preferably, mentioning the tentative time frame within which loan applications will be processed.

(ii) **Loan appraisal and terms/conditions**

- (a) Normally all particulars/ documents required for processing the Loan Application shall be collected at the time of application. In case the Company needs any additional information/ documents, the customer would be informed that he/she would be contacted immediately again.
- (b) The Company shall convey in writing to the customer 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 all terms and conditions by the customer in its record.
- (c) The Company shall follow the practice of furnishing a copy of the loan agreement to every customer subsequent to disbursement of loan.

(iii) **Communication of rejection of Loan Application**

If the Company can't 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/s shall be made as per disbursement schedule given in the Loan Agreement/ Sanction Letter and after written request by the customer from time to time.
- (b) The Company shall give notice to the customer of changes in any other terms and conditions including disbursement schedule, service charges, prepayment charges, other fees applicable etc.
- (c) Generally the interest rate applicable at the time of loan disbursement is subject to revision in line with market conditions, which shall be informed to the customer in advance with due notice. Such changes shall be effective prospectively.
- (d) If such change mentioned in clause 4.1(iv) (c) is to the disadvantage of the customer, then customer may within 60 days and without notice close its account or switch it without paying any extra charges or interest.
- (e) Before taking a decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, the company would give notice to the customer in consonance with the loan agreement.
- (f) The Company would release all securities on repayment of all dues or on realisation of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against the customer. If such right of set off is to be exercised, customer would be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled / paid.

6. **GUARANTORS**

When a person/ company intends to be Guarantor for a loan, he/ she will be informed about:

- (a) his/her Liability as Guarantor;
- (b) the amount of Liability he/she will be committing himself/ herself to the Company;
- (c) circumstances in which the Company will call on him/ her to pay up his/ her Liability;
- (d) whether we have recourse to his/her other monies/securities in the Company if he/ she fails to pay up as a Guarantor;
- (e) whether his/her liabilities as a Guarantor are limited to a specific quantum or are they unlimited; and
- (f) time & circumstances under which his/her liabilities as a Guarantor will be discharged as also the manner in which we will notify him her about this.

The Company shall keep him/ her informed of any material adverse change/s in the financial position of the customer for whom he/ she stands as a Guarantor.

7. **PRIVACY AND CONFIDENTIALITY**

All personal information of customers shall be treated as private and confidential [even after closure of loan], and shall be guided by the following principles and policies. The Company shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies/ entities in its 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 the Company's interests require to give the information (for example, to prevent fraud) but the same will not be used by the Company as a reason for giving to anyone else, including other entities in the group, for marketing purposes without customers permission;
- (d) If the customer asks us to reveal the information, or with the customer's permission.
- (e) If the Company asked to give a reference about customers, the Company shall obtain his/ her written permission.
- (f) The customer shall be informed the extent of his/ her rights under the existing legal framework for accessing the personal records that the Company holds about him/her.
- (g) The Company shall not use customer's personal information for marketing purposes by anyone unless the Company has obtained permission to do so.

8. **CREDIT REFERENCE AGENCIES**

- The Customers are hereby informed that at the time of opening a new account, the Company will pass customer account details to credit reference agencies and the checks the Company may undertake in this regard.
- The Company may provide information to credit reference agencies about the personal debts the Customer owe to us, if:

- The Customer has fallen behind with the payments;
 - The amount owed is not in dispute; and
 - The Customer have not made satisfactory proposal for repaying the debt, following the Company's formal demand.
- In these cases, the Company shall intimate customer in writing its plan to give information about the debts owed by customer to credit reference agencies. At the same time, the Company shall explain to the Customer the role of the credit reference agencies and the effect the information they provide can have on customer's ability to get credit.
 - The Company may give credit reference agencies other information about the customer's account.
 - A copy of the information given to the credit rating agencies shall be provided by the Company to the Customer upon request.

9. **COLLECTION OF DUES**

- (i) Whenever loans are given, the Company shall explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However if the customer does not adhere to the repayment schedule, a defined process in accordance with the NHB guidelines and 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.
- (ii) The Company's collection policy should be built on courtesy, fair treatment, persuasion and extant NHB guidelines issued from time to time. The Company believes in fostering customer confidence and long-term relationship. Company's staff or authorize representative for collection of dues or/ and security repossession shall identify himself/ herself, and upon request, display his/ her identity card issued by us or under the authority of the Company. The Company will provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.
- (iii) All the members of the staff or any authorize representative in collection and/or 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 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) Company's representatives shall contact the customers between 0800 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 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.

10. **COMPLAINTS AND GRIEVANCES**

Internal Procedures

- (a) The Company shall have the system and procedures for receiving, registering and disposing of complaints and grievances in each of its offices.
- (b) The Management under the supervision of the Board of Directors will lay down the appropriate grievance redressal mechanism within the Company to resolve complaints and grievances. Such a mechanism will ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.
- (c) Customer shall be told where to find details of the Company's procedure for handling complaints, fairly and quickly.
- (d) If the customer wants to make a complaint, then the customers should be informed on the following:
 - 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. Company's staff shall help the customer with any queries the customer has.
- (e) If a complaint has been received in writing from a customer, the Company shall endeavour to send him/ her an acknowledgement/ response within a week. The acknowledgement should contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at Company'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, the Company shall send the customer its final response or explain why it needs more time to respond and shall endeavour 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) The Company shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

11. **GENERAL**

- (a) The Company shall verify the details mentioned by the Customer 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 staff or through Agencies appointed for this purpose, if deemed necessary by the Company.
- (b) The Customer shall be informed to co-operate if the Company need to investigate a transaction on the Customer's Account and with the Police/ other investigative agencies, if we need to involve them.
- (c) The Company shall advise the Customer that if the Customer acts fraudulently, he/ she will be responsible for all losses on his/ her account & that if the Customer acts without reasonable care & this causes losses, the Customer may be held responsible for the same.
- (d) The Company shall help customer to understand the Company's financial products and services, by providing/ giving the information in the simple language either English, Hindi or local language.
- (e) The Company shall not discriminate on grounds of sex, caste & religion in the matter of Lending. However, this does not preclude the Company from instituting or participating in Schemes formulated, for different Sections of the Society by NHB/ other Government Agencies.
- (f) The Company shall process requests for transfer of a loan account, either from the customer or from a bank/ financial institution, in the normal course.
- (g) To publicize The code, the Company will:-
 - i. Provide existing and new customers with a copy of the code, upon request;
 - ii. Make this Code available upon request either over the counter or by electronic communication or mail;
 - iii. Make available this Code at every office; and on its website; and
 - iv. Ensure that its staff is trained to provide information about the code and to put the code into practice.
- (h) The Management under supervision of the Board of Directors shall periodically review the Compliance of the Fair Practice Code and functioning of the grievance redressal mechanism. A consolidated report of such reviews may be submitted to the Board of Directors at regular intervals, or as may be prescribed from time to time.