



**FAIR PRACTICE CODE-2.0**

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## **FAIR PRACTICE CODE**

### **Introduction**

This Code has been formulated by ManiBhavnam Home Finance India Private Limited, herein after referred as the “The company”, pursuant to the Guidelines issued by Reserve Bank of India (“RBI”) on Fair Practices Code for Housing Finance Companies vide its Master Direction- Non-Banking Finance Company-Housing Finance Company (Reserve Bank), Direction, Feb 17, 2021, DOR.FIN.HFC.CC. No.120/03.10.136/2020-21.

The Fair Practices Code sets the minimum standards for the Company to follow when dealing with customers. It provides information to customers and explains how the Company is expected to deal with them on a day-to-day basis.

### **Objectives:**

The primary objectives of the code are as below

- To promote good and fair practices by setting minimum standards in dealing with customers.
- To increase transparency so that the customer can have a better understanding of the services expected.
- To promote a fair relationship between the company and the customer.
- To encourage market forces, through fair competition, to achieve higher operating standards.
- To foster confidence in the housing finance system overall

### **Application of the Code:**

This Code will apply to all the products and services, whether they are provided by “The company” or Digital Lending Platforms (self-owned and/or under an outsourcing arrangement) across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

### **Application for loans and their processing:**

1. All communications to the borrower will be in the English, or vernacular language or a language as understood by the borrower.
2. “The company” will 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, penal interest/ 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, “The company” will disclose ‘all in cost’ inclusive of all charges involved in processing/ sanctioning of loan application in a transparent manner. It should also be ensured that such charges/ fees are non-discriminatory.
3. Loan application forms will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other HFCs can be made

and informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form.

4. "The company" will devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed should also be indicated in the acknowledgement.

**Loan appraisal/terms/condition and communication of rejection of loan application:**

1. Normally all particulars required for processing the loan application will be collected by "The company" at the time of application. In case it needs any additional information, the customer will be told immediately that he would be contacted again.
2. "The company" will convey in writing to the borrower in the English, or vernacular language or a language as understood by the borrower 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, penal interest (if any) and keep the written acceptance of these terms and conditions by the borrower on its record.
3. "The company" will mention the penal interest charged for late repayment in bold in the loan agreement.
4. "The company" will furnish a copy of the loan agreement along with a copy of each of the enclosures quoted in the loan agreement to every borrower at the time of sanction/ disbursement of loans, against acknowledgement.
5. If "The company" cannot provide the loan to the customer, it will communicate in writing the reason(s) for rejection.

**Disbursement of loan including changes in terms and condition:**

1. Disbursement will be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.
2. "The company" will give notice to the borrower in the English, or vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, penal interest (if any), service charges, prepayment charges, other applicable fee/ charges etc. The company will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard should be incorporated in the loan agreement.
3. If such change is to the disadvantage of the customer, he/ she may within 60 days and without notice close his/ her account or switch it without having to pay any extra charges or interest.
4. Decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, will be in consonance with the loan agreement.
5. "The company" will 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 "The company" may have against borrower. If such right of set off is to be exercised, the borrower will 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.

### **Responsibility of Board of Directors:**

1. The Board of Directors of "The company" has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a mechanism will ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.
2. The Board of Directors of "The company" will provide for annual review of the compliance of the Fair Practices Code and the functioning of the grievance's redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals.

### **Complaints and Grievance Redressal:**

At "The company", customer service and satisfaction are our prime focus. We believe that providing prompt and efficient service is essential not only to attract new customers, but also to retain existing ones. In order to make "The company"s redressal mechanism more meaningful and effective, a structured system has been built. This system would ensure that the redressal sought is just and fair and is within the given frame- work of rules and regulation.

### **Machinery to handle complaints/ grievances:**

Customers who wish to provide feedback or send in their complaint may use the following channels between 9:30 am and 6:00 pm, Monday to Friday (except on national holidays).

- Email us at [customercare@manibhavnam.com](mailto:customercare@manibhavnam.com)
- Contact us at customer care number at 011-40521562
- Write to us at the below mentioned address:  
ManiBhavnam Home Finance India Private Limited  
N-2, Second Floor, South Extension-1  
New Delhi-110049

If a complaint has been received in writing from a customer, "The company" will endeavor to send him/ her an acknowledgement/ response within a week. The acknowledgement will contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone at designated telephone helpdesk or customer service number, the customer will be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.

After examining the matter, "The company" will send the customer its final response or explain why it needs more time to respond and will endeavor to do so within six weeks of receipt of a complaint.

If the complaint/dispute is not responded within a period of 15 days or is dissatisfied with the response received, customer may write to the Complaints Redressal Officer. The name and contact of the Complaint Redressal Officer is as follows:

Mr. Dipankar Acharjee

Email ID: [dipankar.acharjee@manibhavnam.com](mailto:dipankar.acharjee@manibhavnam.com)

The process of the complaint's redressal unit will ensure closure of all complaints to the customers' satisfaction.

If the complaint/dispute is not responded within a period of one month or is dissatisfied with the response received, customer may appeal to the regulatory authority of Housing Finance companies – the National Housing Bank – at the address given below:

National Housing Bank, Department of Regulation, and Supervision (Complaint Redressal Cell)

4<sup>th</sup> Floor, Core-5A, India Habitat Centre, Lodhi Road,

New Delhi – 110 003.

Email Id: [crcell@nhb.org.in](mailto:crcell@nhb.org.in)

Website: [www.nhb.org.in](http://www.nhb.org.in)

**Language and mode of communicating Fair Practice Code:**

Fair Practices Code (which will preferably be in the English, or vernacular language or a language as understood by the borrower) will be put up on the website of the company for the information of various stake holders.

**Rate of Interest**

1. The Board of "The company" has adopted an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers will be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter. The Board of the "The company" will also have clearly laid down policy for penal interest/ charges (if any).
2. The rates of interest and the approach for gradation of risks, and penal interest (if any) will also be made available on the website of the companies or published in the relevant newspapers. The information published in the website or otherwise published will be updated whenever there is a change in the rates of interest.
3. The rate of interest and penal interest (if any) must be annualised rate so that the borrower is aware of the exact rates that would be charged to the account.
4. Instalments collected from borrowers will clearly indicate the bifurcation between interest and principal.

### **Advertising, Marketing and Sales:**

1. "The company" will ensure that all advertising and promotional material is clear, and factual.
2. 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, "The company" will also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request or on the website.
3. "The company" will provide information on interest rates, common fees and charges (including penal interest, if any) through putting up notices in their branches; through telephone or help-lines; on the company's website; through designated staff/ help desk; or providing service guide/ tariff schedule.
4. If "The company" avail of the services of third parties for providing support services, "The company" will 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 "The company" would.
5. "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 only 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.
6. "The company" will prescribe a code of conduct for their Direct Selling Agencies (DSAs) 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.
7. "The company" will adopt the Model Code of Conducts for Direct Selling Agents (DSAs)/ Direct Marketing Agents (DMAs) with the approval of their Board.
8. In the event of receipt of any complaint from the customer "The company"'s representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps will be initiated to investigate and to handle the complaint and to make good the loss.

### **Guarantors:**

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

1. his/ her liability as guarantor;
2. the amount of liability he/ she will be committing him/herself to the company;
3. circumstances in which "The company" will call on him/her to pay up his/ her liability;
4. whether "The company" has recourse to his/her other monies in the company if he/ she fails to pay up as a guarantor;
5. whether his/her liabilities as a guarantor are limited to a specific quantum or are, they unlimited; and
6. 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.
7. In case the guarantor refuses to comply with the demand made by the "The company", despite having sufficient means to make payment of the dues, such guarantor would also be treated as a willful defaulter.
8. "The company" will 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.

**9. Privacy and Confidentiality:**

"The 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 their group, other than in the following exceptional cases:

1. If the information is to be given by law.
2. If there is a duty towards the public to reveal the information.
3. If the "The company" interests require them to give the information (for example, to prevent fraud). However, it should 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.
4. If the customer asks the "The company" to reveal the information, or with the customer's permission.
5. If "The company" are asked to give a reference about customers, they will obtain his/her written permission before giving it.
6. The customer will be informed the extent of his/ her rights under the existing legal framework for accessing the personal records that an "The company" holds about him/her.
7. "The company" will not use customer's personal information for marketing purposes by anyone including "The company", unless the customer specifically authorizes them to do so.

**Credit reference agencies:**

When a customer opens an account, the company will inform him that it will pass his account details to credit reference agencies and the company will make checks with them.

The company may give information to credit reference agencies about the personal debts the customer owes them if:

- the customer has fallen behind with his payments;
- the amount owed is in dispute; and
- the customer has not made proposals that the company is satisfied with, for repaying his debt, following the company's formal demand.
- The company will give credit reference agencies other information about the customer's account if the customer has given them his permission to do so. A copy of the information given to the credit reference agencies will be provided by the company to a customer, if so demanded.

**General.:**

1. "The company" will refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
2. In case of receipt of request from the borrower for transfer of borrower account, the consent or



- otherwise i.e. objection of the "The company", if any, will be conveyed within 21 days from the date of receipt of request. Such transfer will be as per transparent contractual terms in consonance with law.
3. In the matter of recovery of loans, "The company" will not resort to harassment viz. persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. As complaints from customers also include rude behavior from the staff of the companies, "The company" will ensure that the staff is adequately trained to deal with the customers in an appropriate manner.
  4. "The company" will not charge pre-payment levy or penalty on pre-closure of housing loans under the following situations:
    - ❖ Where the housing loan is on floating interest rate basis and pre-closed from any source.
    - ❖ Where the housing loan is on fixed interest rate basis and the loan is pre-closed by the borrower out of their own sources.
  5. The expression "own sources" for the purpose means any source other than by borrowing from a bank/ HFC/ NBFC and/or a financial institution.
  6. "The company" will not impose foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
  7. "The company" will not discriminate on grounds of sex, caste and religion in the matter of lending. Further, HFCs will also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude "The company" from instituting or participating in schemes framed for different sections of the society
  8. To facilitate quick and good understanding of the major terms and conditions of housing loan agreed upon between "The company" and the individual borrower, "The company" will obtain a document containing the most important terms and conditions (MITC) of such loan in all cases as per appropriate format. The document will be in addition to the existing loan and security documents being obtained by the "The company". "The company" will prepare the said document in duplicate and in the language understandable by the borrower. Duplicate copy duly executed between "The company" and the borrower should be handed over to the borrower under acknowledgement.
  9. To publicize the Code, "The company" 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 their staff are trained to provide relevant information about the Code and to put the Code into practice.