

FAIR PRACTICE CODE

PANTHOIBI HOUSING FINANCE COMPANY LIMITED | URIPOK TOURANGBAM LEIKAI, NEAR
URIPOK FLYOVER, IMPHAL WEST, MANIPUR-795001

Contents

1. Objectives & Application	2
1.1. Objectives of the Code	2
1.2. Application of the Code	2
2. We shall act fairly and in a transparent manner:.....	2
3. Advertising, Marketing and Sales	3
3.1. We shall:	3
4. Loans.....	3
4.1.I. Applications for loans and processing	3
4.1.II. Loan appraisal and terms/conditions	4
4.1.III. Communication of rejection of Loan Application	4
4.1.IV. Disbursement of loans including changes in terms and conditions	4
4.2. Guarantors	4
4.3. Privacy And Confidentiality	5
4.4. Credit Rating Agencies	5
4.5. Collection of Dues	6
4.6. Complaints and Grievances	6
5. General	7



1. Objectives & Application

1.1. Objectives of the Code

The Fair Practices Code (herein after referred to as “the Code”) of PHFCL (the Company) has been developed to:

- a) promote good and fair practices by setting minimum standards in dealing with customers;
- b) increase transparency so that the customer 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 PHFCL; and
- e) Foster confidence in the housing finance system.

1.2. Application of the Code

We shall apply this Code to all our products and services provided across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

2. We shall act fairly and in a transparent manner:

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

- a) We meet the commitments and standards in this Code for the products and services we offer and in the procedures and practices our staff follows
- b) Our products and services meet relevant laws and regulations in letter and spirit
- c) Our dealings with customers rest on ethical principles of integrity and transparency
- d) We will disclose to the borrowers the fees/charges payable for processing the loan application, the amount of fees refundable if the loan amount is not sanctioned/disbursed, pre-payment options and charges if any, penalty for delayed repayment if any, conversion charge for

switching loan from fixed to floating rate or vice versa, existence of any interest reset clause and any other matter which affects the interest of the borrower i.e., "all in cost" inclusion of all charges involved in processing/sanction of loan application should be disclosed in a transparent manner and such charges/fees are non-discriminating

3. Advertising, Marketing and Sales

3.1. We shall:

- a) Ensure that all advertising and promotional material is clear, and not misleading.
 - b) 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, we shall also indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request.
 - c) We shall provide information on interest rates, common fees and charges through putting up notices in our branches; through telephone or help-lines; through designated staff/help desk; or providing service guide/tariff schedule.
 - d) If we avail of the services of third parties for providing support services, we shall ensure that such third parties handle customer's personal information (if any available to such third parties) with same degree of confidentiality and security as we would.
- e) We may, from time to time, communicate to customers various features of our products availed by them. Information about our other products or promotional offers in respect of products/services, will be conveyed to customers only if he/she has given his/her consent to receive such information either by mail or by registering for the same on customer service number.
 - f) In the event of receipt of any complaint from the customer that our representatives/couriers 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.

4. Loans

4.1.I. Applications for loans and processing

- a) Loan application forms shall include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by us can be made and informed decision could be taken by the borrower. The loan application form would also indicate the list of documents required to be submitted with the application
- b) A system of giving acknowledgement, would be in place, for receipt of all loan applications. Preferably the time frame within which loan applications will be disposed of shall also be indicated in the acknowledgement

4.1.II. Loan appraisal and terms/conditions

- a) Normally all particulars required for processing the loan application shall be collected at the time of application. In case of need of any additional information, the customer shall be told that they would be contacted immediately again
- b) We shall convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanction 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 record
- c) We shall invariably 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 sanction/disbursement of loans

4.1.III. Communication of rejection of Loan Application

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

4.1.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/Sanction Letter

- 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 also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard shall be incorporated in the loan agreement
- c) 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
- d) 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 we may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice 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

4.2. Guarantors

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

- a) His/her liability as guarantor;
- b) The amount of liability he/she will be committing him/herself to the company;
- c) Circumstances in which we shall call on him/her to pay up his/her liability;
- d) Whether we have recourse to his/her other monies 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 and circumstances in which his/her liabilities as a guarantor will be discharged as also the manner in which we shall notify his/her about this
- g) In case the guarantor refuses to comply with the demand made the company, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a willful defaulter

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.

4.3. Privacy And Confidentiality

All personal information of customers shall be treated as confidential (even when the customers are no longer customers), and shall be 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, including other companies

entitles in their 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 interests require them to give the information (for example, to prevent fraud) but 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
- d) If the customer asks to reveal the information, or with the customer's permission
- e) If we are asked to give a reference about customers, they shall obtain his/her written permission before giving it.
- f) The customer shall be informed the extent of his/her rights under the existing legal framework for accessing the personal records that we hold about him/her.
- g) Customer's personal information shall not be used for marketing purposes unless the customer specifically authorizes them to do so.

4.4. Credit Rating Agencies

- a) When a customer opens an account, he/she shall be informed when the company may pass his/her account details to credit information companies and the checks we may make with them.

- b) We may give information to credit reference agencies about the personal debts the customer owes the company 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 we are satisfied with, for repaying his/her debt, following our formal demand
- c) In these cases, customers shall be intimated in writing that we plan to give information about the debts the customer owe us to credit reference agencies. At the same time, the customers shall also be explained the role of credit reference agencies and the effect the information we provide can have on customer's ability to get credit.
- d) We may give credit reference agencies other information about the customer's account if the customer has given his/her permission to do so.
- e) A copy of the information given to the credit reference agencies shall be provided to a customer, if so demanded.

4.5. Collection of Dues

As mentioned in the point no. 6 of NPA Management and Recovery Policy

4.6. Complaints and Grievances

- a. System and procedure for receiving, registering and

disposing of complaints and grievances in each of our offices would be in place

- b. Appropriate grievance redressal mechanism within the company to resolve complaints and grievances would be laid down with approval of the Board of Directors. This mechanism would ensure that all disputes arising out of the decisions of the company's functionaries are heard and disposed of at the least at the next higher level
- c. Customer would 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, he/she would be told:
 - 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. Our staff shall help the customer with any questions the customer has
- e. If a complaint has been received in writing from a customer, we would endeavor to send him/her an acknowledgement/response within a week. The acknowledgement would

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 we 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. We shall publicize our grievance redressal procedure (e-mail id and other contact details at which the complaints can be lodged, turnaround time for resolving the issue, matrix for escalation, etc.) for lodging the complaints by the aggrieved borrower and ensure that it is specifically made available on our website. We shall clearly display in all our offices / branches and on the website that in case the complaint does not receive response from the company within reasonable time or is dissatisfied with the response received, the complainant may approach the Complaint Redressal Cell of

National Housing Bank by lodging its complaints 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%E2%80%9393Physical-Mode.pdf>, to Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi – 110 003

5. General

- 5.1. We shall verify the details mentioned by customers 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
- 5.2. The customer shall be informed to co-operate if we need to investigate a transaction on the customer's account and with the police/other investigative agencies, if we need to involve them.
- 5.3. 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.
- 5.4. We shall display about our products and services in any one or more of the following languages: Hindi, English or appropriate local language
 - 5.5. We shall not discriminate on grounds of sex, caste and religion in the matter of lending. We shall 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 us from instituting or participating in schemes for different sections of the society.
 - 5.6. We shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course.
 - 5.7. To publicize the code, we shall:
 - 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 our website; and
 - d) Ensure that our staffs are trained to provide relevant information about the Code and to put the Code into practice
 - 5.8. The company's Board of Directors would provide for 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 would be submitted to the Board at regular intervals, as may be prescribed.