



Document Title	CHFL Fair Practices Code
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Centrum Housing Finance Limited

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Centrum Housing Finance Limited (CHFL) is a company incorporated under Companies Act, 2013. The main objective of the company is providing long term loans for construction / purchase / extension / repairs / renovation of immovable residential properties.

The Fair Practices code has been formulated in compliance of the guidelines issued by National Housing Bank vide their circular no. NHB(ND)/DRS/POL-No.16/2006 dated September 05, 2006 and further revised in terms of NHB circular letter no. NHB/ND/DRS/Pol-no.34/2010-11 dated 11-10-2010.

Objectives of the Code

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.

Application of the Code

This Code is applicable to all the products and services, whether they are provided by the CHFL 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.

Loans

Applications for loans and their processing

- The Company will include in the application form the necessary information which affects the interest of the borrower, so that meaningful comparison with the terms and conditions offered by other Housing Finance Companies (HFCs) can be made and an informed decision can be taken by the borrower. The Loan application form shall contain the list of documents required to be submitted with the application form.
- 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.
- The Company will give proper acknowledgement for the receipt of all loan applications.
- The Company will shortly make arrangement for on-line filing of loan applications, with facility of on-line tracking as well, by creating appropriate links on The Company website.

Loan Appraisal and terms/conditions

- The Company will communicate to the borrower by fastest mode for any information required for processing of loan application.
- The 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.
- The 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

- In case of rejection of a loan application, the Company will communicate the reasons for rejection of the loan proposal to the borrower.

Disbursement of loans including changes in terms and conditions

- The Company will disburse the sanctioned amount in accordance with the terms of sanction/loan agreement.
- The 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.
- The 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 the 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 that he/she will be committing himself / 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 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 the company will notify him/her about this.
- The 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. 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 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 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 information about customer or customer accounts [including customer's 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 the 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 records that the company holds about him/her.
- The 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, the Company will inform him/her as to when the Company may pass his/her account details to credit reference agencies and the checks the Company may undertake in this regard.
- The Company may give information to credit reference agencies about the personal debts the Customer owes with the Company if,
 - The customer has fallen behind with his/her payments;
 - The amount owed is not in dispute; and
 - The customer has not made proposals that the company is satisfied with, for repaying his/her debt, following the Company's formal demand.
- In these cases, the 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, the Company will explain to the customer the role of credit reference agencies and the effect the information provided can have on customer's ability to get credit.
- The 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.

Commitments

- 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 National Housing Bank.
- 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, the 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.
- The 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 newspapers or through our website.
- 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

- 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.
- The Company shall provide all the details and schedule for payment of monthly EMI on time. The 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.
- The Company will also inform the course of action adopted for recovery of dues with the borrowers in case of default.
- 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 authorized representative for collection of dues or / and security repossession shall identify himself / herself and upon request, display his / her identity card issued by the Company 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.
- All the members of the staff or any authorized representative in collection and / or security repossession should follow the guidelines set out below:
 - 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.
 - Identity and authority to represent the Company shall be made known to the customer at the first instance.
 - Customer's privacy would be respected.

- Interaction with the customer shall be in a civil manner.
- 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.
- Customer's request to avoid calls at a particular time or at a particular place shall be honoured as far as possible.
- Time and number of calls and contents of conversation would be documented.
- All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- During visits to customer's place for dues collection, decency and decorum shall be maintained.
- Inappropriate occasions such as bereavement in the family or such other calamitous occasions shall be avoided for making calls/visits to collect dues.

Complaints and grievances

- The Company shall have the system and procedures for receiving, registering and disposing of complaints and grievances in each of its offices.
- 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 the Company's functionaries are heard and disposed of at least at the next higher level.
- The Customer shall be told where to find details of the Company's procedure for handling complaints, fairly and quickly.
- If the customer wants to make a complaint, then the customers should be informed on the following:
 - How to do this
 - Where a complaint can be made
 - How a complaint should be made
 - When to expect a reply
 - Whom to approach for redressal
 - What to do if the customer is not happy about the outcome
 - Company's staff shall help the customer with any queries the customer has
- 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.
- 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.
- The Company shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

Rate of interest, fees and other charges

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

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

The schedule of charges is displayed on the website of the Company.

Know Your Customer Guidelines

Customers will be advised to submit the necessary proofs such as Ration card, passport, PAN card etc., for verification of identity. Electricity bill, telephone bills 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 back 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 is clear and not misleading and full details of the relevant terms and conditions are available on request.
- 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.
- Company will provide information on interest rates, common fees and charges through putting up notices in the branches and also through telephone or help-lines; on its website; through designated staff / help desk or by providing service guides and tariff schedules.
- 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.
- 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.
- The Company shall prescribe a code of conduct for Direct Selling Agencies (DSAs)/Connectors 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.
- In the event of receipt of any complaint from the customer that Company's representative/ or DSA/Connectors 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.

- The Company will, from time to time, communicate to customers various features of the products and services availed by them.

General

- The Company shall 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.
- The Company shall help the customer to understand the Company's products and services by providing / giving information in any one or more of the following languages: Hindi, English or the appropriate local language.
- The 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.
- The 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 publicise the code, the Company shall:
 - Provide existing and new customers with a copy of the code.
 - Make the code available on request either over the counter or by electronic communication or mail;
 - Make available this code at every branch and on company's website; and
 - 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.