

**VIVA HOME FINANCE LIMITED**  
**FAIR PRACTICE CODE**

Pursuant to the notification issued by the National Housing Bank on Fair Practices Code (“Code”) guidelines vide its notifications/Circular No. NHB (ND)/DRS/Pol-No.16/2006 dated 5th September, 2006, Viva Home Finance Limited (“VHFL”) has adopted the said code.

The Code deals with promotion of good and fair practices, increased transparency, encouraging market forces, ensuring a fair and cordial relationship between borrower / Customer and VHFL and to foster confidence of the customer in the housing finance system of VHFL. The Code has the following key elements.

**1) OBJECTIVES:**

- To promote good and fair practices by setting minimum standards in dealing with customer(s);
- To increase transparency so that the customer(s) can have a better understanding of what they can reasonably expect of the services;
- To encourage market forces, through competition, to achieve higher operating standards;
- To promote a fair and cordial relationship between customer(s) and VHFL; and
- To foster confidence in the housing finance system.

**2) APPLICATION OF THE CODE:**

- The Code shall be applicable across all aspects of operations including marketing, loan origination processing and servicing and collection activities. VHFL’s commitment to the Code would be demonstrated in terms of employee responsibility, efficiency, monitoring and auditing programmes, training and technology.
- Through regular training programs, meetings, seminars, circulars and other modes of communication, employees would be made aware of the Code so that there is a strong commitment to fair and quality lending, and efficient and rational services.

**2.1 Commitments:**

- VHFL shall adhere to act fairly and reasonably to meet the standard practices prevalent in the housing industry.
- VHFL shall provide the customer(s) with all the clear information, in understanding the following:
  1. Their products and services;
  2. The terms and conditions, the interest rate/service charges;
  3. Benefits to customer(s) and the implications, if any;

4. Contact person(s) for addressing the queries and details of contact.

- VHFL shall be clear and not misleading in its advertisement and promotional materials.
- Except for the scheme for the weaker section of the society or the scheme formulated by NHB/Govt. Agencies, being implemented by VHFL, VHFL shall not discriminate on the grounds of caste, creed, religion or sex while dealing with the customer(s).

## **2.2 Benefits available to customer(s):**

- VHFL will deal quickly and sympathetically in correcting mistakes if any, and attend to customer's complaints in light of the objectives of this Code.
- VHFL shall treat all personal information of customer(s) as private and confidential and shall not divulge any information to third person unless required by any law or Government authorities including Regulators or Credit Agency or where the sharing of information is permitted by the customer(s).
- VHFL would provide, on request, copy of the Code to the existing borrower(s) and new customer(s) prior to commencement of business transaction.

## **2.3 Disclosure and Transparency:**

- VHFL would provide information on interest rates, common fees and charges through:
  - Putting up notices in branches;
  - Providing tariff schedule.
- VHFL would transparently disclose to the borrower(s) all information about :-
  - 1) fees/charges payable for processing the loan application;
  - 2) the amount of fees refundable if loan amount is not sanctioned /disbursed;
  - 3) pre-payment options and charges, if any;
  - 4) penalty for delayed repayment if any;
  - 5) conversion charges for switching loan from fixed to floating rates or vice-versa;
  - 6) existence of any interest re-set clause and any other matter which affects the interest of the borrower.

In other words, VHFL shall disclose 'all in cost' inclusive of all charges involved in processing/sanction of loan application in a transparent manner. It would also be ensured that such charges/fees are non-discriminatory.

## **3) ADVERTISING, MARKETING AND SALES:**

- a) VHFL shall ensure that all advertising and promotional material is clear, and not misleading.
- b) In any of its advertisement in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, VHFL shall also indicate

whether other fees and charges will apply and that full details of the relevant terms and conditions are available to the customer(s) on request.

- c) If VHFL avails of the services of third parties for providing support services, VHFL 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 VHFL would.
- d) VHFL 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.
- e) VHFL shall 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.
- f) In the event of receipt of any complaint from the customer that VHFL's representative / courier agency 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 Applications for loans and their processing:**

- Loan application forms includes necessary information which affects the interest of the borrower(s), so that a meaningful comparison with the terms and conditions offered by other companies can be made and informed decision can be taken by the borrower(s). The loan application form indicates the list of documents required to be submitted with the application form.
- VHFL will give acknowledgement for receipt of all loan applications.

##### **4.2 Communication of rejection of Loan Application**

- In case of rejection of loan application, irrespective of category of loans or threshold limits, the same would be conveyed in writing along with the main reason(s), which led to rejection of the loan application.

##### **4.3 Loan appraisal and terms/conditions:**

- a. All particulars required for processing the loan application shall be collected at the time of application. In case any additional information is required, the customer(s) would be informed that he/she would be contacted immediately again.
- b. VHFL would convey in writing to the customer(s) 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, pre-payment charges and keep the written acceptance of these terms and conditions by the customer(s) on the record.

- c. A copy of the loan agreement along with a copy of all enclosures quoted in the loan agreement would be given to every borrower at the time of sanction / disbursement of loans.

#### **4.4 Disbursement of loans including changes in terms and conditions:**

- Disbursement of loans sanctioned is to be made immediately on total compliance of terms and conditions including execution of loan documents governing such sanction.
- Any change in terms and conditions, including interest rate and service charges, will be informed individually to the borrower(s) in case of account specific changes and in case of others by Public Notice/display on Notice Board at the branches/on the VHFL's website/through print and or other media from time to time.
- Changes in interest rates and service charges will be effected prospectively.
- Consequent upon such changes, any supplemental deeds, documents or writings are required to be executed; the same shall also be advised. Further, availability of facility will be subject to execution of such deeds, documents or writings.
- All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien and set off for any other claim that VHFL may have against the borrower(s). If such right is to be exercised, borrower(s) would be given due and proper notice with requisite details.

#### **5) OTHER GENERAL PROVISIONS:**

- VHFL would refrain from interference in the affairs of the borrower(s) except for what is provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the VHFL as lender). However this does not imply that VHFL has right of recovery and enforcement of security under Law.
- VHFL will not discriminate on the grounds of gender, caste or religion in its lending policy and activity.
- In the case of recovery, VHFL would resort to the usual measures as laid down in the guidelines and extant provisions and would operate within the legal framework. VHFL is already having a Model Policy on Code for Collection of Dues and Repossession of Security.
- In case of request for transfer of borrowal accounts, either from the borrower(s) or from a Bank/Financial Institution, VHFL's consent or otherwise shall be conveyed within 21 days from the date of receipt of request.

#### **5.1 Guarantors:**

- When a person is considering being a guarantor to a loan, he/she would be informed about:
  - a) his/her liability as guarantor;

- b) the amount of liability he/she will be committing him/herself to VHFL,
- c) circumstances in which VHFL will call on him/her to pay up his/her liability;
- d) whether we have recourse to his/her other monies in VHFL if he/she fail 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 VHFL will notify him/her about this

VHFL 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.

## **5.2 Privacy And Confidentiality:**

All the borrower's personal information shall be treated as private and confidential (even when he/she is no longer our customer) and shall be guided by the following principles and policies. VHFL shall not reveal information or data relating to customer(s) accounts to anyone, including other companies in their 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 VHFL's interests require them to give the information (for example, to prevent fraud) but the same will not be used by VHFL as a reason for giving to anyone else, including other entities in the group, for marketing purposes without customers' permission;
- If the customer(s) ask/s VHFL to reveal the information, or with his / her permission by acceptance of the terms and conditions of the loan agreement, to provide such information to their associate companies when they have tie-up arrangements for providing other financial service products;
- If the Court / authorities so direct or required by any regulatory authority(ies) including reference agencies or CIBIL etc.
- If any third party acquires on its on without VHFL's involvement;
- If provided by someone else inadvertently.

## **5.3 Credit reference agencies:**

Customer(s) are hereby informed that at the time of opening a new account, VHFL will pass his / her account details to credit reference agencies and there shall be checks VHFL may undertake in this regard.

VHFL will provide information to credit reference agencies about the personal debts, the customer(s) owe/s to them if:

1. The customer(s) has/have fallen behind with his / her/their payments;
2. The amount owed is not in dispute; and
3. The customer(s) has not made proposals that VHFL is satisfied with, for repaying his / her/their debt, following their formal demand.

In these cases, VHFL shall intimate customer(s) in writing, their plan to give information about the debts he/she/they owe them to credit reference agencies. At the same time, VHFL shall explain to the customer(s) the role of the credit reference agencies and the effect the information they provide can have on the customer(s) ability to get credit.

VHFL may give credit reference agencies other information about the customer's account if he/she/they has/have given permission to do so.

VHFL shall provide the customer(s) with a copy of the information which VHFL has given to the credit reference agencies about the customer(s), if so demanded by him/ her/them.

#### **5.4 Collection of Dues:**

Whenever loans are given, VHFL would explain to the customer(s) the repayment process by way of amount, tenure and periodicity of repayment. 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(s) by sending him/her/them notice or by making personal visits and / or repossession of security, if any.

VHFL staff or any person authorized to represent VHFL in collection of dues or/and security repossession shall identify himself / herself and display the authority letter issued by VHFL and upon request, display his/her identity card issued by VHFL or under authority of VHFL. VHFL shall provide the customer(s) with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.

All assistance shall be given to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner.

During visits to customer's place for dues collection, decency and decorum shall be maintained.

All the members of the staff or any person authorized to represent VHFL in collection or / and security repossession should follow the guidelines set out below:

- a. Customer(s) would be contacted ordinarily at the place of his / her/their choice and in the absence of any specified place at the place of his / her/their residence and if unavailable at his / her/their residence, at the place of business / occupation.

- b. Identity and authority to represent VHFL would be made known to the customer(s) at the first instance.
- c. Customer's privacy would be respected.
- d. Interaction with the customer(s) shall be in a civil manner
- e. VHFL's representatives shall contact the customer(s) between 0700 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 honoured as far as possible.
- g. Time and number of calls and contents of conversation would be documented.
- h. All assistance would be given to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner.
- i. During visits to customer's place for dues collection, decency and decorum would be maintained.
- j. Inappropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/visits to collect dues.

## **5.5 Complaints and Grievances:**

### **Internal Procedures:**

- a. VHFL has a system and a procedure for receiving, registering and disposing of complaints and grievances in each of their offices.
- b. The Board of Directors of VHFL has laid down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. It ensures 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(s) shall be told where to find details of VHFL's procedure for handling complaints fairly and quickly.
- d. If the customer(s) want/s to make a complaint, he/she/they would be told:
  - I. How to do it
  - 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 not happy about the outcome
  - VII. VHFL's staff shall help the customer with any questions the customer has.
- e. If a complaint has been received in writing from a customer(s), VHFL would endeavor to send him/her/them 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 VHFL's designated telephone helpdesk or customer service number, the customer(s) 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, VHFL would send the customer(s) its final response or explain why they need more time to respond and shall endeavor to do so within 6 weeks of receipt of a complaint and he/she/they should be informed how to take his/her/their complaint further if he/she/they is/are still not satisfied.
- g. VHFL shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.
- h. VHFL would request customer(s) to complain against representative/courier or Direct Selling Agent (DSA) or broker for sourcing deposits or any other agencies employed by VHFL if they are engaged in any improper conduct or action in violation of the Code. VHFL would ensure that the complaint is properly investigated and proper action and redressal takes place.
- i. In case the response is unsatisfactory or not received the response from VHFL within reasonable time (6 weeks) or is dissatisfied with the response received, the customer(s) may approach NHB at the following address / mail id: National Housing Bank Department of Regulation and Supervision (Complaint Redressal Cell) 4th Floor, Core 5-A, India Habitat Centre Lodhi Road, New Delhi – 110003 Email: crcell@nhb.org.in

#### **5.6 Know Your Customer (KYC) Policy:**

VHFL shall carry out due diligence as required under "Know Your Customer" (KYC) policy of the company before opening and operating customer's account and in furtherance of the policy. The customer(s) will be asked to submit or provide necessary documents or proofs for the same. VHFL shall ensure obtaining only such information so as to meet its KYC, Anti Money Laundering or any other statutory requirements.

VHFL shall provide the loan application form and other material to the customer(s) and the same shall contain all details of essential information required to be furnished and documents to be produced for verification and/or for record for meeting the KYC requirements.

VHFL shall explain the procedural formalities and provide necessary classifications sought by the customer(s) while opening a loan account.

#### **5.7 Branch Closure / Shifting:**

VHFL shall give notice to the customer(s) in the event of closure/shifting of its branch offices.

#### **5.8 Loan Accounts**

- The loan application in the prescribed form will be accepted by VHFL along with the processing fees and other documents as required for processing the loan.
- VHFL shall provide all the information about the loan products to the customer(s) in the normal course of business and shall endeavour to adhere to it.
- VHFL shall consider each loan application independently on the merits of the loan application after scrutinizing customer's loan repaying capacity, income proof, identity of the customer(s), title clearance, technical clearance, etc.
- VHFL shall inform to the guarantor(s) about his/her/their obligation, liabilities and circumstances in which he/she/they can be called upon to pay dues of the borrower(s).
- VHFL shall adopt smooth and cordial recovery/collection of installment/dues from the customer(s)/borrower(s) including the persuasive methods for collections of its dues and shall be just and reasonable.
- VHFL shall inform the customer(s) about the repayment term in advance. However, if the customer(s) does/do not adhere to repayment term, VHFL shall inform the customer(s) and guarantor(s) by sending a reminder/notice or making personal visit(s) or by telephonic contact as available with VHFL so that the dues are repaid promptly. In spite of giving reasonable opportunity to repay the defaulted installment(s), if the default continues, then VHFL reserves the right to proceed legally either to enforce the security interest or proceed in the appropriate court of Law for the recovery of the dues, depending on the circumstances of each case.

**5.9 VHFL shall:**

- Explain the key features of its loan products including applicable fees and charges while communicating the sanction of the loan.
- Advise the customer(s), what information/documentation required from the customer(s) to enable him / her/them to apply. Customer(s) would also be advised regarding what documentation is needed from him / her/them with respect to customer's identity, address, employment, etc. and any other document that may be stipulated by statutory authorities (e.g. PAN details) in order to comply with legal and regulatory requirements.
- Verify the details mentioned by the customer(s) in the loan application by contacting him/her/them at his/her/their residence and / or on business telephone numbers and / or physically visiting his/her/their residence and/or business addresses through agencies appointed for this purpose, if deemed necessary by VHFL
- Customer(s) would be informed to co-operate if VHFL needs to investigate a transaction on his/her/their account and with the police/ other investigative agencies, if VHFL needs to involve them.
- VHFL would advise the customer(s) that if he /she/they act fraudulently, he/she/they will be responsible for all losses on his/her/their account and that if he/she/they act without reasonable care and this causes losses, he/she/they may be responsible for the same.
- Not to discriminate on the basis of race, caste, gender, marital status, religion or disability.