

## **MODEL CODE**

### **FAIR LENDING PRACTICES CODE (FLPC)**

The Fair Lending Practice Code is as follows:

#### **1. IMPORTANT DECLARATIONS:**

Our Bank declares and undertakes

To provide professional, efficient, courteous, diligent and speedy services in the matter of retail lending.

Not to discriminate on the basis of religion, caste, sex, descent or any of them.

To be fair and honest in advertisement and marketing of Loan Products.

To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transactions.

If sought, to provide such assistance or advise to customers in contacting loans.

To attempt in good faith to resolve any disputes or differences with customers by setting up complaint redressal cells within the organisation.

To comply with all the regulatory requirements in good faith.

To spread general awareness about potential risks in contacting loans and encourage customers to take independent financial advice and not act only on representation from Bank.

#### **2. FAIR PRACTICES:**

##### **2.1. PRODUCT INFORMATION:**

A prospective customer would be given all the necessary information adequately explaining the range of loan products available with our Bank to suit his needs.

On exercise of choice, the customer would be given the relevant information about the loan product of choice.

The Customer would be explained the processes involved till sanction and disbursement of loan and would be notified of timeframe within which all the processes will be completed ordinarily at our Bank.

The Customer would be informed of the names and phone numbers of branches and the persons, whom he can contact for the purpose of loan to suit his needs.

The Customer would be informed the procedure involved in servicing and closure of the loan taken.

## **2.2. INTEREST RATES**

2.2.1. Interest Rates for different loan products would be made available through and in any one or all of the following media, namely:

Bank's website.

Over phone, if tele-banking services are provided.

Through prominent display in the Branches and at other delivery points.

Through other media from time to time.

2.2.2. Customers would be entitled to receive periodic updates on the interest rates applicable to their accounts.

2.2.3. On demand, customers can have full details of method of application of interest.

## **2.3. REVISION IN INTEREST RATES:**

Our Bank would notify immediately or as soon as possible any revision in the existing interest rates and make them available to the customers in the media listed in Para 2.2.1.

Interest Rate revisions to the existing customers would be notified within 3 working days from the date of change.

## **2.4. DEFAULT INTEREST/PENAL CHARGES:**

a) Our Bank would notify clearly about the default interest/penal charges to the prospective customers.

## **2.5. CHARGES:**

Our Bank would notify details of all charges payable by the customers in relation to their loan account.

Our Bank would make available for the benefit of prospective customers all the details relating charges generally in respect of their retail products in the media specified in Para 2.2.1.

Any revision in charges would be notified in advance and would also be made available in the media as listed in Para 2.2.1.

Our Bank would clearly specify the charge account for interest and charges, wherever necessary and get a mandate for debiting the said charge account alongwith the documentation.

## **2.6. TERMS AND CONDITIONS FOR LENDING:**

Our Bank would ordinarily given an acknowledgement of receipt of loan request and if demanded by the customer, a copy of the application form duly acknowledged would also be given, as soon as the customer chooses to buy a product of or service of his choice.

Immediately after the decision to sanction the loan, our Bank would show draft of the documents that the customer is required to execute and would explain, if demanded by the customer the relevant terms and conditions for sanction and disbursement of loan.

Loan Application Forms, Draft documents or such other papers to be signed by a customer should comprehensively contain all the terms and conditions relating to the product or service of his choice.

Wherever possible, reasons for rejection of loan would be conveyed to the customers.

Before disbursement of loan and on immediate execution of the loan documents, our Bank would deliver a copy of the duly executed documents to the customers.

## **2.7. ACCOUNT PRACTICES:**

Our Bank would provide regular statement of accounts, unless not found necessary by the customers.

Our Bank would notify relevant due dates for application of agreed interest, penal charge, default interest, and charges, if they are not mentioned in the Loan applications, documents or correspondence.

Our Bank would notify in advance any change in accounting practices, which would affect the customer before implementation.

## **2.8. INFORMATION SECRECY:**

All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed to by customer. The term 'Third Party' excludes all Law Enforcement Agencies, Credit Information Bureau, Reserve Bank of India, other Banks and Financial Institutions.

Subject to above Para, customer information would be revealed only under the following circumstances, namely:

If the Bank is compelled by Law.

If it is in the Public Interest to reveal the information.

If the interests of the Bank require disclosure.

## **2.9. FINANCIAL DISTRESS:**

Our Bank would reckon cases of customer's financial distress and consider them sympathetically.

Customer would be encouraged to inform about their financial distress as soon as possible.

Our Bank would adequately train the operational staff to give patient hearing to the customers in financial distress and would render such help as may be possible in our view.

## **2.10. GRIEVANCE REDRESSAL:**

Our Bank would have a Grievance Redressal Cell/Department/ Centre within or outside the organisation.

Our Bank would make available all the details, namely:

Where a complaint can be made,

How a complaint should be made,

When to expect a reply,

Whom to approach for redressal of grievance etc.,

to the customers individually on demand and through the media listed in Para 2.2.1.

(C) Response to a complaint whether positive or negative or requiring more time for redressal would be given within a maximum period of four weeks from the date of complaint, unless the nature of complaint is such that requires verification of voluminous facts and figures.