

TATA CAPITAL HOUSING FINANCE LIMITED

FAIR PRACTICES CODE

1. OBJECTIVES AND APPLICATION

Tata Capital Housing Finance Ltd (“TCHFL” or “the Company”) has adopted the Fair Practices Code (‘the Code’) to provide for transparency in its transactions with the customers, present as well the prospective. TCHFL, through the Code, intends to extend protection to its customers by explaining how the Company and its representatives are expected to deal with them during day-to-day operations. The Code has been prepared based on the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.

1.1. Objectives of the Fair Practices Code – The Code has been adopted to:

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

1.2. Application of the Code – This Code applies to all the products and services offered by TCHFL or Digital Lending Platforms (self owned and / or under an outsourcing arrangement), whether over the phone, across the counter, on the internet or by any other means. It shall also apply to all the employees of TCHFL.

2. TCHFL’S COMMITMENT TO CUSTOMERS

2.1 We shall act fairly, efficiently and reasonably in our dealings with all our customers by ensuring that –

- a) The commitments and standards prescribed in this Code are met for all products, services we offer and the procedures and practices our staff follow.
- b) Our products and services meet relevant laws and regulations.
- c) Our dealings with customers rest on the ethical principles of integrity and transparency.

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.

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- c) We shall provide information on interest rates, common fees, and charges through any one or more of the following –
 - i) Putting up notices in all our branches;
 - ii) Through telephone or helplines;
 - iii) On the Company's Website;
 - iv) Through designated staff / helpdesk; or
 - v) Providing tariff schedule / service guide
- d) If we avail of the services of third parties for providing support services, we 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 we would.
- e) We may, from time to time, communicate to customers various features of the products availed by them. Information about our other products or promotional offers in respect of products / services, may be conveyed to the 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 the Customer Service Number.
- f) Prescribe a Code of Conduct for our Direct Selling Agents (DSAs), whose services are availed to market products which, amongst other matters, require them to identify themselves when they approach the customer for selling our products.
- g) In the event of receipt of any complaint from the customer that our representative / courier 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:

- a) All communications to the borrower shall be in the vernacular language or a language as understood by the borrower.
- b) We shall provide information about the interest rates applicable, as also the fees / charges, if any, 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, if any and any other matter which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Housing Finance Companies (HFCs) can be made and informed decision can be taken by the borrower.
- c) The Company shall issue an acknowledgement receipt for all loan applications. Loan applications shall be disposed of within 15 days or such extended time as may be mutually agreed between the borrower and the Company from the date of receipt of the application form complete in all respects.

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4.2 Loan appraisal and terms/conditions

- a) Normally all particulars required for processing the loan application shall be collected by us at the time of application. We shall keep the customer informed that he would be contacted immediately again, in case we need any additional information;
- b) The customer would be informed in the vernacular language or in a language as understood by the borrower by means of a written sanction letter of the amount of loan sanctioned or otherwise the amount of loan sanctioned along with all terms and conditions including annualized rate of interest, method of application, EMI Structure penal interest (if any) and prepayment charges etc. and keep the written acceptance of these terms and conditions by the borrower on its record;
- c) We shall 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 or after disbursement of loans against acknowledgement. The penal interest charged for late repayment is mentioned in bold in the loan agreement.

4.3 Communication of rejection of Loan Application

If we are not in position to provide the loan to the customer, we shall communicate in writing the reason (s) for rejection.

4.4 Disbursement of loans including changes in terms and conditions

- a) We shall disburse the loans in accordance with the disbursement request made by the customer or the disbursement schedule given in the Loan Agreement/ Sanction Letter.
- b) We shall give notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, penal interest (if any), 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 the Company 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 the Company is entitled to retain the securities till the relevant claim is settled /paid.

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4.5 Guarantors

When a person intends to be Guarantor for a loan, he / she shall be informed about:

- a) his / her liability as guarantor;
- b) the amount of liability he / she will be committing himself / herself to the Company;
- c) circumstances in which we will call on him / her to pay up his / her liability;
- d) whether his / her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- e) time and circumstances in which his / her liabilities as a guarantor will be discharged as also the manner in which we will notify him / her about this; we shall keep him / her informed of any material adverse change/s in the financial position of the customer for whom he / she stands as a guarantor.
- f) In case of Letter of Comfort and / or the guarantees furnished by the companies, within the Group companies on behalf of the wilfully defaulting units, are not honoured when invoked by the Company, such companies will also be reckoned as wilful defaulter(s).
- g) We shall keep he/she informed of any material adverse change/s in the financial position of the borrower to whom he/ she stands as a guarantor.

5. PRIVACY AND CONFIDENTIALITY

5.1 We shall treat all personal information of customers as private and confidential [even when the customers are no longer our 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 / entities in our 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 our interests require us 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's accounts [including customer name and address] to anyone else, including other companies in the group, for marketing purposes.
- d) If the customer asks us to reveal the information, or with the customer's permission.
- e) If we are asked to give a reference about a customer, we 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) We shall not use customer's personal information for marketing purposes by anyone including ourselves unless the customer specifically authorizes us to do so.

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5.2 Credit Reference Agencies

- a) When a customer opens a loan account with us, we shall inform him/her when we may pass his / her account details to Credit Reference Agencies and the checks we may make with them.
- b) We may give information to Credit Reference Agencies about the personal debts the customer owes us 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 we are satisfied with for repaying his / her debt, following our formal demand.
- c) In these cases, we may intimate the customer in writing that we plan to give information about the debts the customer owes us to Credit Reference Agencies. At that time, we will explain to the customer the role of Credit Reference Agencies and the effect the information they 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 us his / her permission to do so.
- e) A copy of the information given to the Credit Reference Agencies shall be provided by us to a customer, if so demanded.

6. COLLECTION OF DUES

- 6.1 Whenever loans are given, we 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 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 by sending him / her notice or by making personal visits and / or repossession of security, if any.
- 6.2 Our collection policy is built on courtesy, fair treatment and persuasion. We believe in fostering customer confidence and long-term relationship. Our staff or any person authorized to represent us in collection of dues or / and security repossession shall identify himself / herself and display the authority letter issued by us and upon request, display his / her identity card issued by the Company or under authority of the Company. We shall provide customers with all the information regarding dues and shall endeavour to give sufficient notice for payment of dues.
- 6.3 All the members of the staff or any person authorized to represent us in collection and / or security repossession shall follow the guidelines set out below:
 - a) 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.
 - b) Identity and authority to represent the Company shall be made known to the customer at the first instance.
 - c) Customer's privacy should be respected.
 - d) Interaction with the customer shall be in a civil manner.
 - e) Our representatives shall contact the customers between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation

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- 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 should be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
 - i) During visits to customer's place for dues collection, decency and decorum shall be maintained.
 - j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls / visits to collect Dues.

7 COMPLAINTS AND GRIEVANCES

Internal Procedures –

- a) If the customer wants to make a complaint, he / she will be told:
 - How and where to make a complaint?
 - When to expect a Reply?
 - Whom to approach for redressal?
 - What to do if the customer is not happy about the outcome?
 - Our staff shall help the customer with any relevant questions the customer has.
- b) If a complaint has been received in writing from a customer, we will endeavour to send him / her acknowledgement / response containing the name and designation of the official who will deal with the complaint within a week. 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.
- c) After examining the matter, we shall send the customer our 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.
- d) The 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 shall be made available on the Company's website. Further, at all the branches / Head Office of the Company, notice will be put up informing the customers that in case the complainant does not receive response from the company within a period of one month or is dissatisfied with the response received, the complainant may approach the Complaint Redressal Cell of National Housing Bank by lodging its complaints online on the website of NHB or through post in prescribed format at the following address:

The Officer-in Charge,
National Housing Bank

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Complaint Redressal Cell
Department of Supervision
National Housing Bank,
4th Floor, Core-5A, India Habitat Centre,
Lodhi Road,
New Delhi - 110 003.
Website: www.nhb.org.in

- e) A periodical review of the Code and the functioning of the grievances redressal mechanism at various levels of management would be undertaken by the Company and a consolidated report of such reviews shall be submitted to the Board of Directors of the Company at regular intervals.

8 GENERAL

- a) We shall verify the details mentioned by the customer 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;
- b) The customer is expected to co-operate if the Company needs to investigate a transaction on the customer's account and with the police/ other investigative agencies, if the Company needs to involve them.
- c) If the customer acts fraudulently, he/she will be responsible for all losses on his/her account and if the customer acts without reasonable care and this causes losses, the customer may be responsible for the same.
- d) We shall give customers information about our products and services in Hindi, English or the appropriate local language, if requested for.
- e) We shall not discriminate between our customers on the basis of age, race, caste, gender, marital status, religion, or disability. However, this does not preclude us from instituting or participating in schemes framed for different sections and age groups of the society.
- f) The Company shall process requests for transfer of a loan account, either from the borrower or from a bank/financial institution, in the normal course. In case of receipt of a request from the borrower for transfer of the borrowal account, the consent or otherwise i.e. objection of the Company, if any, shall be conveyed within 21 days from the date of receipt of such request. Such transfer shall be as per transparent contractual terms in consonance with law.

9 POLICY FOR DETERMINING INTEREST RATES, PROCESSING AND OTHER CHARGES

To ensure that the Customers are not charged excessive interest rate and charges on loans and advances by the Company, the Board of the Company has adopted a Policy for Determining Interest Rates, Processing and Other Charges ("Interest Rate Policy") and the same has been put up on the Company's website www.tatacapital.com. Further the Board of the Company shall undertake periodical review of the said Policy for Determining Interest Rates, Processing and Other Charges.