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Preamble

The National Housing Bank (NHB) has issued guidelines vide Circular No NHB (ND)/DRS/POL-No-16/2006 dated September 5, 2006 on Fair Practices Code for Housing Finance Companies (HFCs) thereby setting standards for fair business and corporate practices while dealing with their customers. The Company shall adopt all the best practices prescribed by NHB from time to time and shall make appropriate modifications if any necessary to this Code to conform to the standards so prescribed.

Further, the fair practice code of the company is being reviewed to bring more clarity and transparency and to cover all aspects of loan sanctioning, disbursal and repayment issues as per Circular NHB/ND/DRS/Pol-No. 34/2010-11 dated October 11, 2010 and as amended as per Circular NHB/ND/DRS/Pol-No. 38/2010-11 dated April 25, 2011.

It is, and shall be, the policy of Reliance Home Finance Private Limited (RHFL) to make available to all eligible qualified applicants, without discrimination on the basis of age, race, caste, colour, religion, sex, marital status, age or handicap all financial products, either directly or through subsidiaries and / or associates.

The company's policy is to treat all the clients consistently and fairly. The employees of the company will offer assistance, encouragement and service in a fair, equitable and consistent manner. The company will also communicate its Fair Practices Code (FPC) to its customers by uploading the FPC it on its website.

The company shall ensure that the implementation of the FPC is the responsibility of the entire organisation. The company's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, and servicing and collection activities. Its commitment to FPC will be demonstrated in terms of employee accountability, training, counseling, and monitoring, auditing programs and internal controls, and optimal use of technology.

The company's Board of Directors and the management team shall be responsible for implementing the fair practices hereinafter detailed, and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending and that all employees are aware of this commitment.

This Fair Practices Code applies to the following categories of products and services offered by us (currently offered or which will be introduced at a future date).

1. Loans, guarantees and other products in the nature of financial assets.
2. Wealth management products offered by the company.
3. Third party products offered through a network consisting of the branches of the company, its subsidiaries and associates.

The FPC is applicable to the above irrespective of whether the same is provided physically, over the phone, on the internet or by any other method whatsoever, existing or futuristic.

Objectives of the Code:

To provide for transparency in transactions between the company and the end users and also to provide for well informed business relationships, some broad guidelines have been considered necessary. In this backdrop, the National Housing Bank, has framed the Guidelines on Fair

Practices Code for HFCs to serve as a part of best corporate practices and to provide transparency in business practices.

The Code 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 HFC; and
- e) foster confidence in the housing finance system.

Application of the Code

All parts of this Code apply to all the products and services, whether they are provided by the company or subsidiaries across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method whatsoever, existing or futuristic.

Key Commitments:

The key commitments which the company promises to follow in its dealings with its customers are:

- a. To act fairly and reasonably in all dealings with its customers by ensuring that:
 - To meet the commitments and standards in this Code for the products and services they offer and in the procedures and practices their staff follows.
 - The products and services meet relevant laws and regulations in letter and spirit.
 - Dealings with customers rest on ethical principles of integrity and transparency.
- b. The company shall assist customers in understanding how its financial products and services work by:
 - Providing information about them in simple Hindi and/or English and/or the local language.
 - Explaining their financial implications and
 - Helping the customer choose the one that meets his / her needs.
 - Ensuring that customers are given clear information about their products and services, the terms and conditions and the interest rates/ service charges, which apply to them.
 - Giving customers information on what are the benefits to them, how they can avail of benefits, what are their financial implications and whom they can contact for addressing their queries and how
- c. The company shall make every attempt to ensure that its customers have a trouble-free experience in dealing with it; but in the case of errors or commissions and omissions, the company will deal with the same quickly and sympathetically.
 - Correcting mistakes promptly
 - Complaints will be handled promptly.
 - The company will cancel any charges applied, including interest applied to a customer's account due to an error or oversight on its part.
 - In case a customer is not satisfied with the way a complaint is handled, the company will guide the customer on how to take the complaint forward.
 - providing suitable alternative avenues to alleviate problems arising out of technological failures.
- d. To help customers to use the products and services by:

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- Providing them regular, appropriate updates.
- Keeping them informed about changes in the interest rates, changes of terms and conditions
- Providing suitable alternative avenues to alleviate problems arising out of technological failures.

e. To treat all personal information of customers as private and confidential.

Fees and Charges:

- The company shall display in their branches:
 - a. A notice about the tariff schedule. Customers can ask to see this free of cost.
 - b. A list of services which are rendered free of charge;
- The company shall give their customer all details in their tariff schedule of any charges applicable to the products and services chosen by him / her.
- The company shall provide customers information about the penalties liable to be levied in case of non-observance/ violation of any of the terms and conditions governing the product/ services chosen by them.

In case, the company increases any of these charges or introduces a new charge, it shall be notified one month prior to the revised charges being levied / becoming effective.

- The Company shall transparently disclose to the borrower 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 borrower.

The Company shall not charge prepayment penalty on pre closure of housing loans under the following situations:

- a) Where the housing loan is on floating interest rate basis (pre-closed through any source)
- b) Where the housing loan is on fixed interest rate basis and the loan is pre closed by the borrowers out of their own sources.

The expression of "own sources" for this purpose shall mean any source other than by borrowing from a bank/HFC/NBFC and / or a financial institution (inserted as per Circular No. NHB(ND)/DRS / Pol-No.36/ 2010-11 dated October 18, 2010 and NHB(ND) /DRS / Pol-No.43/ 2010-11 dated October 19, 2011).

The company shall disclose "all in cost" inclusive of all charges involved in processing / sanction of loan application in a transparent manner. It shall also be ensured that such charges/fees are non-discriminatory. (inserted as per Circular No. NHB(ND)/DRS/Pol-No.38/2010-11 dated April 25, 2011)

National Housing Bank (NHB) has issued circular on "Electronic Mode of Settlements: e-payments and e-receipts by HFCs" bearing No.NHB/DRS/Misc.Circular No. 6/2011-12 dated August 29, 2011 wherein NHB had advised HFCs to promote awareness of Electronic Modes of Payments. The Company shall ensure that the Borrowers/ Users of this facility are not charged any additional amount for using this facility as the same would act as a disincentive for using the facility.

NHB has issued a circular regarding uniformity in charging interest rates (floating rate) for old and new customers.

The Company shall ensure uniformity in rates, on floating rate basis, charged to their old and new customers, with the same risk profile, irrespective of the time of entry of the borrowers in the market. Charging of higher interest rate to old customers against new customers put them into great disadvantage, besides the practice being discriminatory. The practice also generally lacks in transparency and fairness.

The Company shall apply uniformity in rates of interest to old and new borrowers, who have same credit/risk profile. This is to be implemented with immediate effect. (inserted as per Circular No. NHB(ND)/DRS/Pol-No.44/2010-11 dated October 19, 2011)

Terms and Conditions

- When a customer accepts a product or service for the first time, the company shall provide the customer with the Rules and Regulations that are relevant to the product / service.
- All Terms and Conditions shall be fair and shall set the customers rights and responsibilities clearly and in plain language, the company will use legal or technical language only where necessary.
- The company shall make available any charges applicable to products and services applicable at the time a customer signs up for the same.
- The company will provide the terms and conditions in respect of any product or service whenever a customer requests for the same.

Advertising, Marketing and Sales

The Company shall;

- Ensure that all advertising and promotional material is clear and not misleading.
- In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to interest rate. The company shall also indicate whether other fees and charges will apply and that full details of relevant terms and conditions are available on request.
- If the company avails services of third parties for providing support services, The company shall ensure 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 shall 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.
- Prescribe a code of conduct for 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.
- In the event of receipt of any complaint from the customer that company's 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.

- The company shall provide information on interest rates, common fees and charges through putting up notices in their branches; through telephone or help-lines; On the company's website; Through designated staff / help desk; or Providing service guide / tariff schedule.

Privacy and Confidentiality

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers], and shall be guided by the following principles and policies. The company shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies, entities 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 company's 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 the company to reveal the information, or with the customer's permission
- e) If the company is 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 the company holds about him /her.
- g) The company shall not use customer's personal information for marketing purposes by anyone including HFCs unless the customer specifically authorizes them to do so.

Credit reference agencies

- When a customer opens an account, the company shall inform him/her when they may pass his/her account details to credit reference agencies and the checks the company may make with them.
- The company shall give information to credit reference agencies about the personal debts the customer owes with them if:
 - a. The customer has fallen behind with his / her payments
 - b. The amount owed is not in dispute; and
 - c. The customer has not made proposals that the company is satisfied with, for repaying his / her debt, following company's formal demand.
- In these cases, the company shall intimate the customer in writing that they plan to give information about the debts the customer owes them to credit reference agencies and the effect the information they provide can have on customer's ability to get credit.
- The company may give credit reference agencies other information about the customers account if the customer has given them his/her permission to do so.
- A copy of the information given to the credit reference agencies shall be provided by the company to a customer, if so demanded.

Collection of Dues

- Whenever loans are given, the company should 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 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's collection policy shall be built on courtesy, fair treatment and persuasion. The company shall believe in fostering customer confidence and long-term relationship. The company staff or any person authorized to represent them in collection of dues or / and security repossession shall identify himself/herself and display the authority letter issued by the company and upon request display his / her identity card issued by the company or under authority of the company. The company shall 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 person authorised to represent the company in collection or / and security repossession shall follow NHB guidelines.

Grievance Redressal Mechanism

- The company shall have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices.
- The Board of Directors of the company shall lay down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a mechanism shall 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 company shall guide customers who wish to lodge a complaint and also provide guidance on what to do in case the customer is unhappy with the outcome.
- After examining the matter, the company shall send a response within a week time if complaint is in writing and if complaint is relayed over a phone customer shall be kept informed of the progress within a reasonable period of time; the company shall also guide a customer on how to take the complaint further if the customer is not satisfied.
- A nodal officer has been appointed for the redressal of grievances of the customers including the borrowers, in connection with any matter pertaining to business practices, Lending decisions, credit management and recovery. The name and contact details of the nodal officer shall be displayed in the website of the company.
- The company shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

Internal Procedures:

- a. if the customer wants to make a complaint, he/she shall be told;
 - How to do this
 - Where a complaint can be made
 - How a complaint shall be made
 - When to expect a reply
 - Whom to approach for redressal
 - What to do if the customer is not happy about the outcome
 - The company's staff shall help the customer with any questions the customer has
- b. Customer shall be told where to find details of the company's procedure for handling complaints fairly and quickly.
- c. If a complaint has been received in writing from a customer, the company shall endeavor to send him/her an acknowledgement / response within a week. If the complaint is

relayed over phone at the 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.

Loans and Advances

Sales Origination

The company shall guide its customers in choosing products and services which meets his / her requirements.

a. Before the customer relationship is established, the company shall:

- Give the customer information explaining the key features of the services and products the customer has shown interest in.
- Give information on accounts, products and services which will suit the customer's needs.
- Clearly state the information that the company requires to collect from the customer to fulfill its 'Know Your Customer' norms and to comply with legal and regulatory requirements in force from time to time.
- Request for additional information about the customer and his / her family to build a database; but this information will be furnished by the customer only if she / he wishes to do so.

b. The company shall provide information on the various channels that can be used to access its products and services. The customer will also be informed on where further information on this is available.

c. Once a customer has chosen a product, the company will tell the customer how it works.

d. The company shall guide its customer on rights and responsibilities specific to the mode of operation under which the product is taken.

Before offering any kind of fund based or non fund based non-banking facility the company shall assess the ability of the customer (prospective borrower) to repay.

- If the company cannot provide loan to the customer, it shall communicate in writing the reasons(s) for rejection. If the customer wants the company to accept a guarantee or other security from someone for his liabilities, the company shall ask the customer for this permission to give confidential information about his finances to the person giving the guarantee or other security, or to their legal adviser. The company may also,
- Encourage the customers to take independent legal advice to make sure that they understand their commitment and the possible consequences of their decision (where appropriate, the documents we ask them to sign will contain this recommendation as a clear and obvious notice);
- Tell the customers that by giving the guarantee or other security they may become liable instead of, or as well as, the customer.
- Tell them what their liability would be.

Applications for loans and their processing:

- Loan Application forms shall include information about the interest rates applicable, as also the fees/charges, if any, payable for processing, pre-payment options and charges, if any matter which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other Housing Finance Companies can be made and an informed decision taken by the prospective borrower.

- The loan application form shall indicate the documents required to be submitted along with the application form.
- The company shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. An indicative time frame within which loan applications will be disposed of will be mentioned in such acknowledgement.

Loan Appraisal and terms/conditions:

- The company shall convey to the customer the loan sanction along with the terms and conditions thereof.
- Normally all particulars required for processing the loan application shall be collected by the company at the time of application. In case it needs any additional information, the customer shall be told that he would be contacted immediately again.
- The company shall convey in writing to the prospective borrower the fate of the loan application by means of sanction letter or otherwise. In the case of sanction of loan, the sanction letter shall contain amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, EMI Structure, prepayment charges. Appropriate internal principles and procedures for determining interest and other charges shall be laid down and be subjected to review keeping in view the business exigencies, regulatory and customer sentiments, market practices etc. The acceptance of the terms and conditions communicated by the borrower shall be preserved by the company in its records.
- The company shall furnish copies of all the loan documents executed by the customer at the company's cost along with a copy of each of all enclosures quoted in the loan document at the time of sanction/ disbursement;

Communication of rejection of Loan Application;

If the company cannot provide the loan to the customer, it shall communicate in writing the reason(s) for rejection.

Disbursement of loans including changes in terms and conditions;

- Disbursement should be made in accordance with the disbursement schedule given in the Loan Agreement/ Sanction Letter.
- The company shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The company shall ensure that changes in interest rates and other charges are effected only prospectively. The loan agreement shall contain a specific clause to this effect.
- 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.

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- Decision to recall / accelerate payment or performance under the agreement or seeking additional securities, shall be in consonance with the loan agreement.
- The company shall not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the 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 the borrower or from a bank/financial institution, in the normal course.
- The company shall release all securities immediately upon repayment of all dues or on realisation of the outstanding amount of loan subject to any Legitimate right or Lien for any other claim it will have against borrower. The borrower shall be given due notice with full particulars about the outstanding claims in case such right of set off is to be exercised 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.
- The Company 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.

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 the company shall call on him/her to pay up his/her liability;
- d. Whether the company has recourse to his/her other monies in the company 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 the company shall notify him/her about this the company 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.

The company shall keep the customer informed of any material adverse change/s in the financial position of the borrower to whom he/she stands as a guarantor.

Marketing and Product Synergy

- a. The company will ensure that all advertising and promotional material is clear, fair reasonable and not misleading.
- b. The company will provide the customers with a full range of financial products the customer is eligible for. Some of these products / services will be its own; some others will be the products of the group or associate companies and also companies with which the company will have arrangements with.
- c. It will be the endeavor of the company to bring synergy between the various financial services, financial products, by cross selling these products to its clientele.

General:



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The company shall give the customer information:

- 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 should be informed 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.
- The company 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.
- About their products and services in any one or more of the following languages: Hindi, English or the appropriate local language.
- The company shall not discriminate on grounds of sex, caste and religion in the matter of lending. However, this does not preclude the 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 the borrower or from a bank/financial institution, in the normal course.

To publicize the code the company shall:

- provide existing and new customers with a copy of the Code
- make this Code available on request either over the counter or by electronic communication or mail;
- make available this Code at every branch and on their website; and
- ensure that their staff are trained to provide relevant information about the Code and to put the Code into practice.

The Board of Directors of the company shall 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 shall be submitted to the Board at regular intervals on quarterly basis.