

ITI Housing Finance Limited
(Formerly known as Fasttrack Housing Finance Limited)
Regd office : ITI House 36, Dr. R. K. Shirodkar Marg,
Parel, Mumbai 400 012



ITI Housing Finance Limited

Registered Office

ITI House 36, Dr. R.K. Shirodkar Road,

Parel - Mumbai 400012 Maharashtra

CIN : U65993MH2005PLC158168

Email: contactus@itihousing.com

Website: www.itihousing.com

FAIR PRACTICES CODE

(Version 1.2)

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ITI HOUSING FINANCE LIMITED ("Company")

FAIR PRACTICES CODE

1. Introduction:

ITI Housing Finance Limited ("Company") has updated its Fair Practices Code ("Code") in light of Reserve Bank of India's Master Direction number RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 on Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 Updated as on October 05, 2021

Fair Practices Code sets minimum standards for the Company to follow when dealing with borrowers. It provides information to borrowers and explains how the Company is expected to deal with them on a day-to-day basis.

2. Objectives :

- (i) To promote good and fair practices by setting minimum standards in dealing with borrowers;
- (ii) To increase transparency so that borrower can have a better understanding of what they can reasonably expect of the services;
- (iii) To encourage market forces, through competition, to achieve higher operating standards
- (iv) To promote a fair and cordial relationship between borrower and Company

3. Application of the Code

This Code applies to all the products and services offered by the Company whether they are provided across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

4. Effectiveness

This updated policy shall come into effect from the date of approval by the Board of Directors of the Company or any committee of the Board to which power has been delegated.

5. Applications for loans and their processing

- (i) Company shall act fairly and reasonably in all their dealings with borrowers by adhering to principles of integrity and transparency and all communications to the borrower will be made in the language as understood by the borrower.
- (ii) Company will 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,

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 and any other matter which affects the interest of the borrower. Company will disclose 'all in cost' inclusive of all charges involved in processing/ sanctioning of loan application in a transparent manner. Such charges/ fees will be non-discriminatory.

- (iii) Loan application forms shall include necessary information 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 informed decision can be taken by the borrower. The loan application form may indicate the list of documents required to be submitted with the application form.
- (iv) Company shall devise a system of giving acknowledgement for receipt of all loan applications. Preferably, the time frame within which loan applications will be disposed will be indicated in the acknowledgement.

6. Loan appraisal and Terms and Conditions:

- (i) All the necessary particulars required for processing the loan application will be collected by Company at the time of application. However, in case any additional information is required Company will contact the borrowers immediately.
- (ii) Company will convey to borrower in writing in a language understood by the borrower 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, prepayment charges and keep the written acceptance of these terms and conditions by the borrower on its record.
- (iii) Company will mention the penal interest charged for late repayment in bold in the loan agreement.
- (iv) 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 against acknowledgment.
- (v) Company shall communicate in writing to the borrower whose application has been rejected containing the reasons for rejection.

7. Disbursement of loans including changes in terms and conditions:

- (i) Company shall make disbursement in accordance with the terms and conditions mentioned in the Loan Agreement/ Sanction Letter.
- (ii) Company would give notice to its borrowers in a language understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, penal interest (if any), service charges, prepayment

charges, other applicable fee/ charges etc. It is to be noted that changes in interest rates and charges (if any) will be effected only prospectively, a suitable condition in this regard will be incorporated in the Loan Agreement.

- (iii) If such change is disadvantage of the borrowers, (except in the case of increase in interest rate in a floating loan) they may within 60 days and without notice close their account or switch it without having to pay any extra charges or interest.
- (iv) Decision to recall / accelerate payment or performance under the loan agreement or seeking additional securities (if any), will be in consonance with the loan agreement.
- (v) Company shall release all securities on repayment of all due or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim Company may have against borrowers. If such right of set off is to be exercised, the borrowers will be given notice about the same with full particulars about the remaining claims and the conditions under which Company is entitled to retain the securities till the relevant claim is settled or paid.

8. Loans sourced over Digital Lending Platforms

Company will follow following instructions wherever Company engage digital lending platforms as their agents to source borrowers and/ or to recover dues,

- (i) Names of digital lending platforms engaged as agents shall be disclosed on the website of Company.
- (ii) Digital lending platforms engaged as agents shall be directed to disclose upfront to the borrower, the name of the Company on whose behalf they are interacting with him.
- (iii) Immediately after sanction but before execution of the loan agreement, the sanction letter shall be issued to the borrower on the letter head of the Company
- (iv) A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement shall be furnished to all borrowers at the time of sanction/ disbursement of loans.
- (v) Company will effectively oversight and monitor the digital lending platforms engaged by it.
- (vi) Adequate efforts shall be made towards creation of awareness about the grievance redressal mechanism.

9. Responsibility of Board of Directors

- (i) Company will lay down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances.
- (ii) Company will periodically 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 may be submitted to the Board at regular intervals

10. Grievance Redressal Mechanism:

- (i) At Company, customer service is given due importance. There is a belief that providing prompt and efficient service is essential not only to attract new borrowers, but also to retain existing ones.
- (ii) Company provides borrower with easy access to information, products and services, as well as the means to get their grievances redressed.
- (iii) Upon receipt of complaint, company shall endeavor to send him/ her an acknowledgement/ response within a week. The acknowledgement will contain the name & designation of the official who will deal with the grievance. If the complaint is relayed over phone the borrower shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.
- (iv) After examining the matter, Company shall send the borrower its final response or explain why it needs more time to respond and shall endeavor 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.

Step 1

- In case of any complaint/grievance regarding the loan, the borrower may approach Branch -In-charge of the business location where he/she had his/her account and make an entry in the Complaint Register maintained at the Branch (During the working hours from 9:30 am to 6:00 pm – Monday to Friday and 09:30 am to 4:00 pm on Saturday except all Sundays and 2nd Saturday of every month).
- All efforts will be made to redress the complaint within 14 days from date of receipt.

Step: 2

- In case the same has not resolved after 14 days in such case the borrower

will be informed that his/her complaint is in process of resolution and will be resolved at the earliest including reasoning for additional time required for resolution.

- Borrower can contact designated officer at head office for this purpose in case of escalation

Ms. Sangeeta
ITI Housing Finance Limited. Customer
Care Department,
ITI House 36, Dr. R.K. Shirodkar Road,
Parel – Mumbai - 400012

Contact No: 022-4027 3600 / + 91 8657998360

Email IDs: contactus@itihousing.com and complaints@itihousing.com

In case of further escalation, you may contact:

Ms. Priya Shukla
ITI Housing Finance Limited. Compliance
ITI House 36, Dr. R.K. Shirodkar Road,
Parel – Mumbai - 400012
Email ID: compliance@itihousing.com

Contact No: 9479742108/8349988894

If borrower do not receive any 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 to NHB, New Delhi.

- i) Online Mode - <https://grids.nhbonline.org.in>

OR

- ii) In offline mode by post, in prescribed format available at link (https://nhb.org.in/citizencharter/Complaint_form.pdf) which is addressed to

To,
Complaint Redressal Cell,
Department of Supervision,
National Housing Bank,
Core 5 A, India Habitat Center,
Lodhi Road, New Delhi – 110 003
Email: crcell@nhb.org.in

11. Regulation of excessive interest

- Company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower in the application form and communicated explicitly in the sanction letter. The Board of the Company will clearly laid down policy for penal interest/ charges (if any).
- The rates of interest and the approach for gradation of risks, and penal interest (if any) shall also be made available on the website of the companies. The information published in the website shall be updated whenever there is a change in the rates of interest. It is to be noted that rate of interest to be charged by Company shall be annualized. Installments collected from borrowers will indicate the bifurcation between interest and principal.
- Company shall not charge excessive interest other than normal financial practice and shall endeavor to ensure transparency in respect of terms and conditions of the loans

12. Advertising, Marketing and Sales:

- (i) Company will ensure that all advertising and promotional material is clear, and not misleading.
- (ii) In any advertising in any media and promotional literature that draws attention to service or product and includes a reference to the interest rate, Company would indicate whether other fees and charges will apply and that full details of the relevant terms and conditions are available on request or on website.
- (iii) Company would provide information on indicative interest rates, common fees and charges (including penal interest, if any) through any of the following ways
 - Putting up notices in branches
 - Telephone lines
 - Company's Website
 - Providing service guide/tariff schedule.
 - Designated staff/help desk
- (iii) Company will ensure that third parties whose services may be availed for providing support services shall handle borrower's personal information with the same degree of confidentiality and security as handled by Company.
- (iv) Company from time to time will communicate to the borrower various features of the products and services availed by them. Also, information about its other products

offerings or promotional offers will be conveyed to the borrower post obtaining their consent to receive such information or service to Company either by e-mail or by registering on the website or any other means.

- (v) Company has prescribed a code of conduct for Direct Selling Agencies (DSAs) whose services it may avail to market its products/ services which amongst other matters requires them to identify themselves when they approach the borrower for selling our products personally, through phone.
- (vi) In the event of receipt of any complaint from borrowers that the representative/ courier or DSA has engaged in any improper conduct or acted in violation of this Code, Company will take appropriate steps to investigate the matter and for making good the loss.
- (vii) Company will 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 borrower for selling products personally or through phone.

13. Guarantors:

Company will inform following things to a guarantor to a loan

- (i) his/her liability as guarantor;
- (ii) the amount of liability that one will be committing to Company;
- (iii) circumstances in which Company will call on guarantors to pay up their liabilities;
- (iv) whether Company has recourse to their other monies in the company if they fail to pay up as a guarantor;
- (v) whether his/her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- (vi) time and circumstances in which his/her liabilities as guarantors will be discharged and the manner in which Company will inform them about the same;
- (vii) Company will keep them informed of any material adverse change in the known financial position of the borrower to whom they stand as a guarantor.
- (viii) In case the guarantor refuses to comply with the demand made by the creditor /lender, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter

14. Privacy and Confidentiality:

- (i) Company shall treat all personal information of the borrowers as private and confidential [even when the customer is no longer a borrower of Company], and will be guided by the following principles and policies. Company shall not reveal information or data relating to borrower's accounts, whether provided by borrower or otherwise, to anyone, including other companies/ entities in our group, other than in the following exceptional cases:

➤ If the information is required by law;

- If there is a duty towards the public to reveal the information;
- If its interests requires to give the information (for example, to prevent fraud) but it will not use this as a reason for giving information about borrower accounts (including name and address) to anyone else, including other companies in our group for marketing purposes;
- If borrower asks / informs to reveal the information, or with the borrower's permission;
- If Company is asked to give a reference about borrower, a written borrower's consent is required before giving it;
- Borrower will be informed about the extent of the rights under the existing legal framework for accessing the personal records that Company holds about the borrower.
- Company shall not use borrower's personal information for marketing purposes unless borrower provides consent for the same.

15. General

- Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed).
- In case Company receives request from the borrower for transfer of 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 request. Such transfer shall be as per transparent contractual terms in consonance with law.
- Company shall explain to the borrower the repayment process by way of amount, tenure and periodicity of repayment. However, if the borrower 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 borrower by sending him/ her notice or by making personal visits and/or repossession of security if any.
- In the matter of recovery of loans, Company shall not resort to harassment viz. persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc. Company shall ensure that the staff will be adequately trained to deal with the borrowers in an appropriate manner.
- Company shall not charge pre-payment levy or penalty on pre-closure of housing loans under the following situations
 - Where the housing loan is on floating interest rate basis and pre-closed from any source.
 - Where the housing loan is on fixed interest rate basis and the loan is pre-closed by the borrower out of their own sources.

The expression “own sources” for the purpose means any source other than by borrowing from a bank/ HFC/ NBFC and/or a financial institution.

All dual/ special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to fixed/ floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. In case of a dual/ special rate housing loans, the pre-closure norm for floating rate will apply once the loan has been converted into floating rate loan, after the expiry of the fixed interest rate period. This applied to all such dual/ special rate housing loans being foreclosed hereafter. It is also clarified that a fixed rate loan is one where the rate is fixed for entire duration of the loan.

- Company shall not impose foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).
- Company shall obtain a document containing the most important terms and conditions (MITC) in addition to the existing loan and security documents.
- Company will display various key aspect such as service charges, interest rates, Penal interest (if any), services offered, product information, time norms for various transactions and grievance redressal mechanism, etc. on Notice Board, website or “Other Modes of Display as required as per extant Regulation.
- Company shall give information of its products and services in English/Hindi or the appropriate local language.
- Company shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further, Company shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc.
- Company shall process the request for transfer of loan account, either from the borrower or from a bank/ financial institution, in the normal course.

To publicize the code, Company shall:

- Provide the existing and new borrowers with a copy of the code.
- Make available this code on request either over the counter or by electronic communication or e-mail.
- Make available this code at every branch and on the website.
- Ensure that its staff is trained to provide relevant information about the code and to put the code into practice.

16. Amendments

The Board of Directors shall review this code as and when it deems appropriate.