



Branch address seal



Registered Office: 29/1, Sir. M N Krishna Rao Road, Basavanagudi, Bangalore – 560 004

Grievance Escalation: For unresolved grievances please write to the Deputy General Manager at the above address or E-mail: grievance.redressal@canfinhomes.com

FAIR PRACTICES CODE (updated till 31/12/18)

Can Fin Homes Ltd. is a public limited company incorporated under Companies Act, 1956, sponsored by Canara Bank and Regulated by the directives of National Housing Bank.

This Code has been formulated by Can Fin Homes Ltd. ('the Company') pursuant to the Guidelines issued by the National Housing Bank on Fair Practices Code for Housing Finance Companies vide its circular bearing No. NHB (ND)/DRS/POL-No.16/2006 dated September 05, 2006 and amendments communicated by NHB from time to time, latest being circular dated 24/04/11.

The said Code is meant to promote good and fair practices, increase transparency, encourage market forces, and promote fair and cordial relationship between the borrower/customer and the Company and to foster confidence of the customer in the Company.

Objective:

Our main business is extending loans for purchase / construction / extension / repairs / renovation etc. of houses, apartments etc., for purchase of residential sites / other mortgage related loans (other than housing) and acceptance of deposits from public.

The objective of the code, is primarily to ensure fair and transparent transactions with all our customers. This will also facilitate the customers to have a better understanding about our products and the various charges levied by the Company. The following Fair Practices Code shall be followed by the Company.

I THE FAIR PRACTICES CODE (FPC) FOR LENDING

1. The Company will publish salient features of all loan products, interest rate range of contracted loan for different categories of advances granted to individual borrowers, mean interest rates, Annual percentage of rates (APR), total fees and charges applicable on various types of loans. (Please refer Para II) and deposit products (Please refer Para III) in its website <http://www.canfinhomes.com>.
2. The Company would publish the Schedule of Charges, Rate of Interest on various loan/ deposit products, extension of tenure of the loans, offer of concessions etc. The amount of refundable fees in case of non-acceptance of the application, pre-payment options, waiver of collection of charges etc. so that meaningful comparison with that of other Housing Finance Companies (HFCs)/banks can be made by the prospective borrowers to enable them to take informed decisions. {Para VIII. (4) to (10)}
3. The Company would indicate the time frame within which loan applications containing full information/ details/documents will be disposed of.
4. The Company would verify the loan applications within a reasonable period of time. If additional details/documents are required, it would intimate the applicants/borrowers immediately thereafter.
5. The Company would ensure that there is proper assessment of credit applications submitted by the applicants /borrowers.
6. The Company would carry out proper due diligence on creditworthiness of applicants/ borrowers notwithstanding the stipulation of any security and margin made by it. The Company will pass the customer's information/ account details to Credit Information agencies/TPAs/ others for this purpose.
7. The Company would make proper assessment of the credit needs of the borrowers in order to take care that the credit limits which are sanctioned, meet the genuine requirement of such borrowers.
8. The Company would convey to the applicants/borrowers concerned that the Credit limits sanctioned to them along with the terms and conditions thereof (in duplicate) and obtain their specific acknowledgement for

acceptance of the same, for its records. The copy of the FPC is also provided along with sanction letter for the information of the applicants/ borrowers.

9. As per NHB guidelines "NHB/ND/DRS/ Misc. Circular No.12/13 dt.08/05/13 and NHB/ND/ DRS/ Pol.No.54/ 2012-13 dt.05/04/13", the Company will issue Most Important Terms and Conditions (MITC) agreed at the time of sanction/ disbursement of the loan to the borrower and obtain his/her acknowledgement in the duplicate copy of MITC.
As per NHB circular No. NHB (ND)/DRS/Policy Circular No.70/2014-15 dt.20/04/15, the Company will display such additional information and MITC in the notice Board of the Company in the prescribed format and website of the Company from time to time.
10. While conveying the terms & conditions and other covenants governing the loan details stipulated by the Company in writing to the applicant/ borrower, the name and designation of the Authority of the Company, as per whose orders the sanction communication has been released, would also be duly indicated therein.
11. The Company would ensure timely disbursement of loans sanctioned in conformity with the terms & conditions of sanction and compliance of such terms & conditions by the borrower/s/ Guarantors.
12. Details of the loan/deposit products, Schedule of charges, ROI (card rates) for loans & deposits will be published in our website www.canfinhomes.com and on the notice boards of all branches from time to time. As and when changes are effected on the ROI on loans & deposits (upward revision & downward revision) , schedule of charges, terms & conditions, guidelines stipulated by NHB etc. will be published in the website and displayed in branch notice boards immediately. No written communication will be sent to customers/ borrowers/ guarantors individually.
13. Whenever upward revision in the rate of interest for loans is effected, same is applicable prospectively to all loans including those already sanctioned and outstanding on the date of change in ROI. SMS on such increased ROI will be sent to the mobile number registered with the Company.
14. In the case of loans where repayments are not forthcoming, ECS/PDC's are returned, perfection of securities not completed within stipulated time, accounts reported in SMA category, then such accounts, at the discretion of the Company, will be reviewed at periodical intervals and will be re-risk rated (S1/S2+/S2/S3) as the case may be and ROI applicable to the respective risk category will be charged. Enhancement in the ROI, if any, consequent upon such risk rating will be communicated to the borrower by SMS alerts to the mobile number registered with the Company.
15. **Extension of tenure of loan:** Whenever there is any upward revision in ROI (SMS sent) as outlined in the above paras 12 & 13, borrower shall have the following options:-
 - i) Agreeing to pay the applicable enhanced EMI prospectively or
 - ii) Pay applicable lump sum prepayments (to be arrived/provided by the company) and continue same EMI.
 - iii) Continue same EMI and extend the tenure of the loan subject to maximum tenure of 30 years or his/her reaching age of maximum 70, whichever is earlier.It shall be the responsibility of the borrower to visit/ contact the branch and opt any one of above 3 options in writing. If the borrower does not visit/ contact, then the option (iii) will be exercised by the company automatically /prospectively and SMS will be sent to his/her mobile number. registered with the company.
16. In respect of such of those loan accounts where ROI has been increased, there will be a corresponding increase in the EMI such that the EMI is sufficient to get the loan closed within the balance tenure. The borrower shall also have the option of paying the lump sum amount /prepayment (to be arrived /provided by the company) and continue the same EMI.
17. Whenever downward revision is effected in the ROI (card rates) for loans, same is applicable for new loans granted prospectively. In respect of old loans, borrowers will have the option of availing the benefit of reduced interest rate by switching over to the anniversary risk rating and reset of ROI mode as enumerated below:

The automated system of risk rating and reset of ROI which facilitates annual resetting of ROI on the basis of risk rating has come in to force effective from 01/04/2017. Under the new system, the risk rating of all the live loan accounts shall be done on an anniversary basis. Vide this process the accounts will be reviewed and rate of interest will be reset according to the risk rating of the borrowers.

Loans availed before 01/04/2017:

- i) The borrowers who have availed loan before 01/04/2017 are given an option to switch over to the annual resetting mode by executing a link letter which forms a part of the loan documentation. If the borrower executes the link letter then the reset scheme will become applicable on anniversary basis, i.e. after one year from the month subsequent to month of submission of the link letter (without IAC).
- ii) Those borrowers who are willing to avail the benefit of prevailing card rate shall get their accounts risk rated and reset the ROI after payment of applicable interest adjustment charges (IAC) with link letter. The ROI shall be reset effective from the month subsequent to the payment of IAC and the ROI will continue for one year from the date of reset.
- iii) If the borrower doesn't execute the link letter, the loan account shall not be eligible for the annual reset scheme and the account shall carry the existing rate till the next revision and upward revision, if any in the ROI is applicable, to the loan account prospectively till such time the borrower opts for annual resetting mode.

Loans availed on or after 01/04/2017:

The loan accounts are automatically covered under the new system of annual resetting of ROI according to the risk rating of the borrowers, on anniversary basis.

During the anniversary period, in case of further reduction in ROI, the borrower has the option to get the benefit of the reduced rate after payment of applicable IAC. Such reduced rate will remain in force for one year from the date of such reset and account will become due for risk rating and reset of ROI after one year from that date.

18. Method of appropriation of bulk payments from borrowers :

- i. The bulk payment made by the borrowers with specific instruction for advance payment will be considered as advance EMI payments. Such advance EMI will not be credited in the loan account, but held as advance EMI separately and the same will be adjusted to the EMIs when it becomes due in the account.
- ii. Any amount paid by the borrower without any specific instructions to appropriate towards part-prepayment / advance payment (through online, across the counter or otherwise) will be considered as advance payment by default and will not be credited to the loan account, but held as advance EMI separately and the same will be adjusted to the EMIs when it becomes due in the account.
- iii. Maximum amount that can be retained in the account as Advance Payment will be restricted to equivalent of 10 EMIs and any amount in excess of this will be appropriated to Principal as Prepayment, with/without change in EMI.
- iv. If the borrower opts for part prepayment (of Principal) then the amount will be credited to his loan account, with or without change in EMI (as per choice of borrower, provided that at least the prepayment amount is equal to or more than 5 EMIs) at the specific request of the borrower.
- v. The advantage of both principal deduction and advance EMI to any customer cannot be provided by the Company together at the same time and against the same amount as per regulatory guidelines.

19. Request for reduction of EMI shall be considered only in the following circumstances:

- i. Any pro-rata reduction in the amount of EMI on account of restriction of the loan amount/ cancellation of unavailed limit at the specific request of the borrower to keep the same tenure of the loan.
 - ii. Any pro-rata reduction in the amount of EMI at the specific request of the borrower on account of bulk/ lump sum pre-payment of the loan by the borrower to keep the same tenure of the loan. **In respect of Prepayment, customer will have the option of reduction in EMI only in cases where such prepayment is equivalent to minimum 5 EMIs.**
20. It is the borrower's responsibility to register the correct postal address, E-mail ID, Telephone Number & Mobile Number and any other means of communication with the relevant branch of the Company, intimate any changes and get the same registered in the relevant branch. Proper acknowledgement of intimation of such changes shall be obtained from the branch by the borrower.
21. The Company will publish FPC/ MITC updated from time to time covering schedule of charges, changes in terms and conditions etc. in the Company's official website www.canfinhomes.com from time to time, besides displaying in the notice board of the branch.
22. The Company would promptly attend to any "lender-related" genuine difficulty/ies that the borrowers may face. The Company will be concerned with sanction and disbursement of the loan, but will not offer any warranty for the property/ property related issues and the borrower should satisfy himself with the title of the property, quality of the construction, progress of the project etc.
23. The Company would release all securities on receiving payment of loan or realization of loans subject to any legitimate right or lien for any other claim the Company may have against Borrowers as guarantors/ co-applicant/co-owners. If such right of set off is to be exercised, the borrower would be given notice about the same with full particulars about the remaining claims and documents under which the Company is entitled to retain the security till the relevant claim is settled/ paid.
24. The Company will store loan papers/property documents at centralized locations (fireproof environment), presently at Bangalore-Uttarahalli, Hyderabad-Ramachandrapuram and NCR Gurgaon, after full disbursement/ perfection of securities is ensured and audit of the branch is completed. (Refer para IX).
25. The Company in the normal course, would endeavor not to interfere in the affairs of its borrowers which are not either directly or indirectly related to its extending the credit facilities unless new information, not earlier disclosed by the borrowers concerned has come to the notice of the Company.
26. The Company will not discriminate on grounds of sex, caste and religion in the matter of lending. However this does not preclude the Company from participating in credit-linked schemes framed for weaker sections of the society.
27. At the time of sanction or any time thereafter, the Company would inform the customer by way of sanction communication indicating the amount of the loan, tenure and periodicity of repayment process etc. However, if the borrower does not adhere to the repayment schedule, the Company shall follow normal legitimate recovery procedures like sending SMS alerts, telephone calls, emails, visiting the customer's residence/ office, re-possession etc. of the property without resorting to undue coercion. The Company is at liberty to publish the photographs of the defaulting borrowers/ guarantors in the Company's website/ Newspaper and other print/electronic media.

28. The Company will have Complaints Redressal Mechanism (Refer Para V)
29. The customer should comply with the rules of Know Your Customer (KYC), Anti Money Laundering (AML) (Refer para VII), and Customer Acceptance Policy (Para VI), as published in our website from time to time.
30. The Company shall treat the information relating to customers as strictly confidential and shall not share any information, unless required under law or permitted by the customer.
31. As per the NHB guidelines, HFC should submit the list of willful defaulters on a monthly basis to all Credit Information Companies. The Company shall communicate any information relating to the borrower/s/ Guarantors to any Credit Information Companies and in case of willful default to publish the names of such borrowers/ guarantors in the website of the Company or the websites of RBI/ NHB/ Credit Information Companies from time to time
32. The Company's Direct Selling Agents (DSA) shall follow the code of conduct as prescribed by the Company.
33. The Company shall inform the guarantor/s if any, for the loan provided about quantum of liabilities as a guarantor and terms relating to the same including any changes thereof from time to time.
34. Upon the specific request of the customer, the Company shall provide the facility of electronic transfer of loan proceeds through NEFT/RTGS to the account of the beneficiary/ builder/ vendor and the Company.
35. The Company and Customer shall act fairly and diligently in dealing with each other. If the customer acts fraudulently/ negligently and/or suppresses any information, he/she will be responsible for all the losses caused to the Company and liable for criminal/ legal action.
36. The Company is having the customer portal facility in the website and the customer can access the accounts through such facility by properly registering the passwords with the branch of the Company where he is having his dealings. The borrower can also make payment of loan instalments by accessing Company's website www.canfinhomes.com.
37. Generally, all the data/ documents pertaining to any account of the customer will be purged after 8 years from the closure of the loan/account and the Company will not entertain any request for providing any information/data of such accounts after 8 years.
38. Copy of the loan documents along with relevant enclosures will be made available at the specific request of the borrower after completion of all documentation formalities.
39. After disbursement of the loan and issue of cheque in the name of the borrower/ vendor, if the purchase transaction could not be completed for whatever reasons and the cheque is recredited to the loan account, the borrower shall pay the interest at applicable rate for the period between date of debit to the loan account and closure of the loan.
40. In the case of loans for which the Company has availed refinance from NHB (LUH/GRHS etc.), all the terms and conditions including rate of interest advised by NHB for such loans shall be stipulated. In case, any of such loans for which refinance is availed becomes ineligible for such refinance from NHB (NPA or any other reasons), the rate of interest applicable to general scheme including penal interest, if any, shall be charged by the Company after giving due notice to the borrower/s from the date of such account becoming ineligible for refinance. Proper notification of revision in the rate of interest shall be communicated to the borrower.
41. Wherever, the Company has made a claim on the guarantor on account of the default made by the principal debtor, the liability of the guarantor is immediate. In case the said guarantor refuses to comply with the demand made by the Company, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a willful defaulter.

II Available Loan Products

As of now, Can Fin Homes Ltd has 24 products pertaining to our lending schemes to the customers, namely, (1) Individual Housing Loans (201), (2) Site Loans (203 & 204), (3) Composite Loans (226 & 238) (Purchase of Site and Construction), (4) Personal Loans (220), (5) Mortgage Loans (205), (6) Loans against Rent Receivables (208) (LRR), (7) Loans for Commercial Properties (209) (LCP), (8) Loans for Children Education (211) (LCE), (9) Builder Loans (206), (10) Line of Credit (207) (LOC), (11) Flexi LAP (222), (12) Commercial Housing Loan (225), (13) Loan on Deposit (221), (14) Special Urban Housing Refinance Scheme – Direct (227), (15) Special Urban Housing Scheme- Indirect (228), (16) Credit Link Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yojana (PMAY) (230), (17) IHL-Super (231), (18) Credit Link Subsidy scheme for Middle Income group (CLSS for MIG) (232), (19) CFHL Top Up Loan (235), (20) CFHL Nishchint -Loan for Pensioners(236), (21) Flats under construction TPA (239), (22) IHL Cash (240), (23) Affordable Housing loan Rural [AHL-R] (241) (24) Affordable Housing loan-urban [AHL-U] (242). The features of all the above products are available on our website, <http://www.canfinhomes.com>.

III Available Deposit Products

Can Fin Homes has 3 Deposit Schemes

- i) Cumulative Deposits: Minimum amount of Deposit accepted is ₹20,000/- and above. The interest compounded quarterly and added at the end of each financial year or on the date of maturity, if the deposit is due for payment in between, before the end of financial year.

- ii) Fixed Deposits: Minimum amount of Deposit accepted is ₹10 Lakh for payment of monthly interest. A minimum deposit amount of ₹ 2 lakh is required for interest payments at quarterly/half yearly and yearly intervals. For details of Deposits, refer to the website <http://www.canfinhomes.com>.
- iii) Exempted category of deposits: Inter-corporate deposits as specified from time to time.
- iv) The deposits are accepted for fixed period by the Company and it is the responsibility of the depositor to renew the deposit from time to time. If the deposits are not renewed for 7 years, the overdue deposit will be transferred to Investor Education & Protection Fund (IEPF) on completion of 7 years from due date of the deposit and thereafter, the depositor may claim for refund of the deposit directly from IEPF.

IV. Direct Selling Agent (DSA)

1. The Company has engaged Direct Selling Agents in all branches, authorizing them to source loan proposals from eligible customers on our behalf. Separate Identity Cards given to them by the Company.
2. It should be noted that they are not the employees of the Company. They will assist the applicants by giving clarifications about the Schemes/Charges and other details.
3. For proposals routed through DSA's. Processing Charges are indicated in the table in para. VIII Such Processing Fees shall be paid by way of account payee cheque in favour of Can Fin Homes Ltd.
4. The appraisals of the proposals sourced by the DSA's will be done by our Company only and sanction/ rejection of the proposal will be at the sole discretion of the Company. Though the Legal Scrutiny/ Title verification is done by the Company through the empanelled Advocates, the Company will not give any warranty of title of the borrower. Once the loan is sanctioned, the customer is required to Deposit the title deeds in the notified branch/place and visit the concerned branch of CFHL to execute the EMT/loan documentation.
5. No charges are payable by customers to DSAs. It is to be noted that the DSAs are not authorized to claim any types of fees/charges directly from the customers. If any deviation is observed, same may be referred to Branch Manager for further action.

V. Complaint Redressal Mechanism

If the customers have any grievances, they can make a complaint in writing or email addressed to the concerned Branch Manager, quoting the account number and gist of the complaint. In case the grievance is not resolved within 15 days, a copy of the complaint/email with acknowledgment may be forwarded to the Grievance Escalation address: Complaint Redressal Officer, Can Fin Homes Ltd, 29/1, Sir M N Krishna Rao Road, Basavanagudi, Bangalore. Complaints can also be forwarded to the email id, 'grievance.redressal@canfinhomes.com'. In case of any complaint, customers can also contact the National Housing Bank at the following address and lodge a complaint in online mode at the link <http://grids.nhbonline.org.in> OR in offline mode by post, in prescribed format available at link <http://www.nhb.org.in/Grievance-Redressal-System/Lodging-Complaint-Against-HFCs-NHB-Physical-Mode.pdf>, to following address.:

Complaint Redressal Cell,
Department of Regulation and Supervision,
National Housing Bank
4th Floor, Core – 5A, India Habitat Centre,
New Delhi – 110 003
The complaint can also be e-mailed at crcell@nhb.org.in.

The Company has also introduced a system of getting the customer feedback online through a web based system. As per the system, customer logs into the Customer Portal through Company's website and record his/her feedback. The branches will go through such feedback and resolve the complaints/take necessary action for Resolution of the issues raised by the customer.

VI Customer acceptance policy

- i. As per the directions of National Housing Bank guidelines, CFHL would verify the identity of the customer with proper adherence to customer identification procedure either directly or through authorized outsourcing agency appointed by the Company, before accepting duly completed application form for issuing sanction letter to loan borrowers and placement of deposits. Also CFHL shall conduct due diligence appropriate to the risk profile of the client.
- ii. CFHL shall endeavor that no account is opened in anonymous or fictitious/ benami name(s) and also endeavor that no account is opened for a customer who has a criminal background, terrorist and all other such persons prohibited by the statutory authorities.
- iii. Parameters of risk perceptions are defined in terms of the location of the customer, volume of turnover, social and financial status etc. which would enable categorization of customers into low, medium and for high risk customers requiring very high level of monitoring.

Examples of customers requiring higher due diligence include:

- a. Non Resident customers,
 - b. HNIs
 - c. Trust, charities, NGOs and organizations receiving donations, Companies having closed share holdings, Firms with sleeping partners,
 - d. Politically exposed persons of foreign origin.
 - e. Non face to face customers
- iv. Those with dubious reputation as per public information available, etc.
 - v. Profile for each customer based on risk categorization shall be carried out and such profile shall contain information relating to the customer's identity, social/financial status, nature of business activity etc.
 - vi. As per the PMLA guidelines, the documentation requirements and other information are collected from different categories of customers depending on perceived risk and periodical intervals as may be specified by the NHB/FIUID/Govt. of India.
 - vii. No account is opened or closed for a customer where we are unable to apply appropriate due diligence measures i.e. unable to verify identity and/or obtain documents required as per the risk categorization due to non-cooperation of the customer or non-reliability of the data/information furnished to us.
 - viii. CFHL carries out due diligence while complying with customer acceptance policy and ensure that its implementation is not too restrictive and must not result in denial of our services to general public.

Politically exposed persons (PEPs) of foreign origin:

As explained by NHB in its circular dated April 10, 2006, CFHL exercises extra caution while dealing with politically exposed persons (PEPs). Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g. Heads of States or of Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc. CFHL shall gather all the necessary information available in the public while establishing the relationship with this category of people. CFHL verifies the identity of the person and seek information about the sources of funds before accepting the PEP as a customer. The decision to open an account for PEP should obtain senior management approval. The above norms may also be applied to the accounts of the family members or close relatives of PEPs.

VII Know Your Customer (KYC) Guidelines

The customers shall submit or provide necessary documents or proofs viz., PAN details, proof of identity, address, educational qualification, employment etc.as and when called for by CFHL as per the KYC norms, either at the time of applying for the loan and also at any later stage before closure of the account.

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers], 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)
- d. If the customer permits or consents for revealing the information.
- e. If the information is being given to Credit reference agencies
- f. The information will be revealed to the credit reference agencies without the consent of the borrower if the customer has defaulted in repayment of installments. The copy of the information so revealed may be obtained on demand and payment of necessary fee.

Full details are published in our website www.canfinhomes.com

VIII Schedule of Charges

1. Interest:

- a. The rate of interest for all loans will be decided from time to time. The prime lending rate of Can Fin Homes Ltd (CFHL Prime Lending Rate) is based upon the cost of funds, tenure of the loan, borrowing/ market conditions and the risk category of the borrower etc.
- b. Variable rate of interest: All upward revisions will be made applicable to all loans (new & old/existing). Downward revisions will be made applicable to new loans only. The risk rating of loans shall be done on anniversary basis for all live loans which are in annual resetting mode for which interest adjustment charges is not applicable. Vide this process the account will be reviewed and the rate of interest will be reset according to the risk rating of the borrower.
 1. Any revision in rate of interest during the financial year subsequent to the date of reset will not affect the loan account.

2. However before the anniversary period, in case of further reduction in ROI, the borrower has the option to get the benefit of the reduced rate after payment of applicable interest adjustment charges. Such reduced rate will remain in force for one year from the date of such reset and the account will become due for review after one year from that date.
 3. Whenever the borrower approaches for reduction in ROI before the reset date, the applicable IAC is 0.50% of the loan outstanding (without any ceiling) plus applicable GST.
- c. Fixed rate of interest: In some loan product, where fixed rate of interest is offered, the fixed rate of interest is valid upto the period as mentioned in the MITC annexed with the sanction letter. Thereafter, the rate of interest will be decided by the Company on the basis cost of funds, tenure of the loan, borrowing/ market conditions and the risk category of the borrower etc.
 - d. The rate of interest for each category of the loan and the customer is based on the credit score of the borrower/s computed at the time of sanction of the loan and the said rate of interest is also subject to review by the Company at periodical intervals.
 - e. Card Rate of interest (card rate) for all products will be published in our website/ branch Notice Board from time to time. As and when changes (upward or downward) in card rates are effected, then such revised card rates will be published in our website/ branch notice board from time to time. For all the new loans, card rate will be applicable prospectively i.e. from the date of Disbursement.
 - f. Interest is charged on daily products of the loan under Daily Diminishing Balances (DDB) Method only and compounded monthly.
 - g. Interest is debited to all loan accounts at monthly intervals and at the time of closure, if the loan is closed before the end of the month.
 - h. For NPA accounts, interest is chargeable as per Income Recognition & Asset Classification (IRAC) norms advised by NHB from time to time/ policy of the Company.
 - i. Presently one time concession of 0.05% in ROI for initial one year is available for housing loans (201) for women beneficiaries for loans upto ₹25 lac in metro/urban areas, Naval/ Air Force/ Defence personnel(both in service & after retirement) and physically challenged persons for housing loans (201) granted on and after 01/08/14.
 - j. Composite Loans – Rate of interest as applicable to site loan will be charged with retrospective effect, if the construction does not start within 18 months/ 36 months and borrower has not fully availed the loan sanctioned. In the case of Composite loans, though the rate of interest applicable to Housing loans is charged, EMI/PEMI shall be stipulated at the rate applicable to site loans from the beginning on the amount disbursed for purchase of site. If, the customer avails the balance of loan for construction of the house, EMI shall be re-fixed after full disbursement of the loan as applicable to housing loans. The amount paid in excess in the initial stage shall be treated as advance payment or instalment shall be re-fixed for the balance amount for the balance period. If the customer fails to avail the loan and construct the house, the loan shall be converted into a site loan immediately after completion of 18 months. The differential interest shall be debited to the account without changing the EMI.
 - k. As outlined in para I.15 and I.16, whenever there is upward revision in the rate of interest, the Customer has the option of continuing the same EMI by paying any lump sum amount equivalent to increased interest liability on account of increase in the rate of interest without extending the period of the loan.
 - l. In respect of loans for construction of houses/flats, pre EMI interest at card rates shall be remitted till scheduled date of completion or actual completion whichever is earlier.

2. Interest Adjustment charges

Whenever downward revision is effected in the rate of interest (card rates) for loans, same is applicable for new loans to be granted prospectively. In respect of old housing loan borrowers (availed before 01/04/17) who are willing to avail the benefit of the anniversary risk rating shall avail the same by getting fresh risk rating done by the branches as per norms, remitting interest adjustment charges, which shall be 0.50% of the outstanding liability, subject to a maximum of ₹15000/- with applicable GST and signing the link letter.

In respect of other loan accounts (availed after 01/04/17), IAC of 0.50% of the outstanding liability plus GST shall be applicable if the borrower wants to avail the benefit of any reduction in ROI before the anniversary period.

Branch Manager/ RO shall permit such conversions subject to rules of the Company advised from time to time.

3. Penal Interest

- i) Charged @2%p.a on the delayed amount for the delayed period only. Such interest will be charged along with regular interest at monthly intervals and compounded at monthly intervals.
- ii) In respect of purchase of properties, non-receipt of sale deed within 30 days from the date of registration of the property will attract penal interest of 2% on outstanding liability from the due date for receipt of title deeds till the actual receipt of title/sale deed.
- iii) If the construction is not completed within 36/60/72 months as the case may be, then the unavailed limit will be cancelled and penal interest @ 2% to be charged from 37th /61st /73rd month respectively.

4. Processing Charges (PC)

The applicable Processing Charges (PC) are given below:

Table-I

Sl. No	Names of the Product	Category	Proposals received directly from customers	Proposals routed through DSA/Marketing Officers
1	Housing Loans/ IHL-Super/Site Loans/ composite Loans /CHL/New GRHS/New LUH/ Flat under construction/ IHL cash salary	S & P	0.50% + GST of the loan amount, with a minimum of Rs.5000/- + GST & a maximum of Rs.25000/-	0.75% + GST of the loan amount, with a minimum of Rs.5000/- + GST and no cap on upper limit.
		SENP	0.75% + GST of the loan amount, with a minimum of Rs.5000/- + GST & a maximum of Rs.35000/-	1%+ GST of the loan amount, with a minimum of Rs.5000/- + GST and no cap on upper limit.
2	AHL-U /AHL R	S & P	0.75% + GST of the loan amount, with a minimum of Rs.7500/- + GST and no cap on upper limit.	1.00% + GST of the loan amount, with a minimum of Rs.7500/- + GST and no cap on upper limit.
		SENP	1.00% + GST of the loan amount, with a minimum of Rs.7500/- + GST and no cap on upper limit.	1.25% + GST of the loan amount, with a minimum of Rs.7500/- + GST and no cap on upper limit.
3	Mortgage loan	S & P	0.75% + GST of loan amount, with a minimum of Rs.5000/- +GST and no cap on upper limit.	1% + GST of loan amount, with a minimum of Rs.5000/- +GST and no cap on upper limit.
		SENP	1% + GST of loan amount, with a minimum of Rs.5000/- +GST and no cap on upper limit.	1.25% + GST of loan amount, with a minimum of Rs.5000/- +GST and no cap on upper limit.
4	LRR/Flexi LAP	S & P	0.75% + GST of loan amount, with a minimum of Rs.10000/- +GST and no cap on upper limit.	1% + GST of loan amount, with a minimum of Rs.10000/- +GST and no cap on upper limit.
		SENP	1% + GST of loan amount, with a minimum of Rs.10000/- +GST and no cap on upper limit.	1.25% + GST of loan amount, with a minimum of Rs.10000/- +GST and no cap on upper limit.
5	Personal loan	S & P	0.75% + GST of loan amount, with a minimum of Rs.5000/- +GST and no cap on upper limit.	DSA/MO not applicable
		SENP	1% + GST of loan amount, with a minimum of Rs.5000/- +GST and no cap on upper limit.	DSA/MO not applicable
6	LCP	All categories	1% + GST of loan amount, with a minimum of Rs.15000/- +GST and no cap on upper limit.	1.25 % + GST of loan amount, with a minimum of Rs.15000/- +GST and no cap on upper limit.
7	LCE	All categories	0.25% +GST of loan amount without any cap	DSA/MO not applicable
8	Builder's Loan/LOC	Builder	1.75 % + GST of loan amount, with a minimum of Rs. 50,000/- +GST no cap on upper limit.	DSA/MO not applicable
9	CFHL-Nishchint	All categories	0.25% +GST of loan amount subject to maximum of Rs. 1000/- + GST	DSA/MO not applicable
10	CFHL -TOPUP	All categories	Rs.1000+GST	DSA/MO not applicable

5. Revalidation Charges

Sanction is valid for 30 days from the date of delivery of the sanction communication to the applicant. ₹500/- will be charged towards revalidation for all loans other than Builder's loan if applicant comes forward to revalidate the sanction after the due date.

6. Pre-closure charges: NIL for both Housing Loan and Non-Housing Loan

Not applicable to individual borrowers for term loans (HL and NHL). However, the Company at its discretion will charge commitment charges on certain category of Non-Housing Loans (builder/project loan/s), if the sanctioned limit is not utilized as per the sanction terms.

In case of loans sanctioned under the scheme, IHL-Super:

Pre-payment charges (during the fixed tenure period):

- No charges for part payment up to 10% of the opening principal balance for a given financial year
- Part payment in excess of 10% of the opening principal balance for a given financial year or full repayment will carry prepayment charges of 2% plus GST.

Pre-closure charges (fixed ROI)

As per the NHB guidelines, the company at its discretion will charge the pre-closure charges at 2% plus applicable GST where the loan accounts are on fixed interest rate under rural and urban housing schemes in case the loans are taken over by other banks / financial institutions. However, no pre-closure charges will be collected if the borrowers close the loans out of their own funds.

7. Commitment charges

At the time of sanctioning Builder/ Project loan, the Credit Dept. shall stipulate drawdown schedule for disbursement based upon Cash flow statement. In case, the disbursements are not made as per draw down schedule/ limit not availed, commitment charge of 1% on undrawn portion of drawdown schedule in Builder Loan category will be collected.

8. Property Valuation Report charges

Applicant should pay charges @1/8% of the assessed value of the property, subject to a maximum of ₹2500/- + applicable GST, to the Panel Valuers directly towards valuation of property. He should get the required copies of the reports, including the one for himself.

9. Project Appraisal Report/ Techno Economic Evaluation report

Applicant should pay the following charges directly to the valuer by way of cheque/ DD, in respect of projects involving Techno Economic Evaluation/ Project appraisal report by the Panel Valuer:

Loans from ₹1 Crore to ₹3 Crore	₹25000 + GST
Loans for above ₹3 Crore upto ₹5 Crore	₹40,000 + GST
Loans above ₹5 Crore	₹50,000 + GST

The applicant shall directly obtain the copies of valuation report from empanelled Consultant including one for him.

10. Miscellaneous Charges

Other charges, which are in the nature of reimbursement are tabulated below shall be paid by the applicant/ borrower:

Table-II

SI No.	Type of Charge	Amount	Payment/reimbursement for
1	Documentation charges	The actual cost with a minimum of ₹100/-	Stamping/ franking of agreement/ stamping of LEDTD for creation of mortgage
2	Encumbrance Certificate / search report from SRO obtention charges	The actual cost + minimum OPE	To be paid by the borrowers in cash or recovered by debiting the loan accounts.
3	Cheque (PDC) Return Charges	₹500/- + GST	Each cheque dishonor, recoverable by debiting the respective loan accounts.
4	ECS/NACH Return Charges	₹500/- + GST	Each ECS return, recoverable by debiting the respective loan accounts.

5	Charges for Retrieval of Documents from Centralized Deposit Storage Centers (CDSC)	Actual Courier charges + ₹300/- per withdrawal + GST	Towards courier & handling cost of getting the documents from CDSC to the branch & returning the same back to CDSC during the pendency of loan (i.e. before actual closure of loan)
6	Safe Custody Charges Of the loan documents in respect of closed accounts	₹200/- pm + GST from the date of closure till the date of actual delivery of documents back to customers	Cost of keeping the documents in safe custody if the customer does not come forward to collect the documents after loan closure (despite sending our notice) within 2 months from the date of loan closure, should be paid by the borrowers before delivery of the documents back to them.
7	CERSAI charges for registration of charge for creation/ modification for loans up to and including ₹5 lac For registration of charge for creation/ modification for Loans above ₹5 lac. For satisfaction of charge	₹150 + GST ₹200 + GST NIL	As per NHB/ CERSAI guidelines.
8.	Property Insurance charges:	Actual amount of premium	Towards insuring the prime/collateral security.
9	Online search CIBIL/ Experian/ CERSAI charges per report	₹150 (including GST) per report	The charges are collected at the inquiry stage before the proposal is in warded. (including that of co-applicant/guarantor)
10	Legal Scrutiny Charges (LSR)	Actual with a Minimum of ₹1100 in all the places	The charges are to be paid by the borrower to the advocate by way of cheque through the concerned branch and a copy of LSR along with receipt to be given to the borrower.
11.	Charges for Sale of Property through recovery agents.	If realized sale amount or liability: 1. Upto 20 Lakhs 2. Above 20 lakhs but upto ₹ 50 lakhs 3. Above ₹ 50 lakhs	3% of the realized sale amount or liability whichever is less. ₹ 60,000 + 2.5% of the realized sale amount or liability whichever is less, exceeding ₹ 20 Lakhs. ₹ 1, 35,000 + 2% of the realized sale amount or liability whichever is less, exceeding ₹ 50 Lakhs.
12	Property Inspection charges	₹300 per inspection of the property, (from 2nd inspection onwards)	To be debited to the loan account & paid up front for inspection carried out in construction cases where disbursements are made on the basis of progress in construction Also inspection of the property [Prime and/or Collateral] shall be carried out annually for all the loan accounts which are outstanding as at end of March in each year and Rs 300/- as inspection charges shall be debited centrally, once in a year till the closure of the loan
13	Recovery Visit Charges	₹500 per visit for SMA-2/NPA accounts	To be debited to the loan account & paid up front

11. Recovery Charges: (If the account becomes NPA) shall be paid by the borrower -Table III

a)	<u>Under Civil Law:</u> a)Registered/ Notice/ Through Courier b)Lawyer's/Legal Notice Charges c)Suit Filing/ Execution Petition Expenses	₹50/- + GST per notice, per borrower ₹500/- + GST per notice, per account Actual charges as applicable under State laws	Cost of each Registered Notice is recoverable from the borrowers. Cost of Legal Notice is recoverable from the borrowers. Cost of Suit filing/Execution Petition expenses should be debited to the borrowers' loan accounts.
b)	<u>Under SARFAESI Act:</u> a)Demand Notice Publication in Paper b)Issue of Possession Notice c)Taking Possession-through Enforcement Agency- i) Pre-inspection/ Pre-enforcement activities. ii)For obtaining orders from District Magistrate /CJM in case of need and to assist Authorized Officer for taking possession iii) Assistance in taking possession of property, preparing panchanama and other incidental services required for publishing possession notice.	Actual cost +GST Actual Cost +GST Minimum of ₹2,500/- + GST & maximum of ₹ 4,000/- + GST 0.25% of the value of the property as per panel valuer's report/ liability, whichever is lower, with a minimum of ₹ 2,500/- + GST & max of ₹ 25,000/- + GST. a) Symbolic possession – assistance of EA is not to be taken. b)Or actual possession – Upto ₹ 10,000/- + GST (depending upon the need and work involved)	Cost of Demand Notice newspaper publication should be recovered from the borrowers Cost of issuing Possession Notice should be recovered from the borrowers. Towards expenses incurred in connection with Pre-inspection/pre-enforcement activities, depending upon the work/distance of travelling & actual taxi charges. Cost of obtention of the orders should be recovered from the borrowers + GST Cost of actual possession charges should be recovered from the borrowers +GST

All the charges stated above are subject to revision by the Company from time to time.

12. Charges borne by the Company

The Company will bear the charges towards Provisional & final interest/repayment certificates/statement for Income Tax (IT) purposes, sending SMS alerts & Payments made to outsourcing agencies towards getting verification reports on applicant's employment/ residence / Bank account/ IT statements etc. for the time being. This is subject to revision from time to time and changes if any, will be published in the Company's website/ Notice Board of the branch as and when changes are made.

13. Insurance Cover for Loans

The Insurance cover for life of the borrower/s for the housing loans is not mandatory. However, such insurance at the option and request of the borrower will be obtained from the approved Companies at the borrowers cost. The borrower may also take insurance cover for his/her life and accidental cover at his cost with the approved insurance companies, the cost of which shall be borne by the borrower himself/ herself. Such insurance policy should be assigned in favor of the Company.

The insurance against the property Mortgaged should be taken at the borrower/s cost. When insurance is taken, CFHL should be made beneficiary of the policy until the loan is cleared. The policy should be got renewed by the borrower from time to time and the same to be kept in the file.

14. System of Remittance/Refund of Processing Charges (PC)

1) Entire Processing Charges should be invariably paid at the time of submitting the application. However, if the applicant, for some valid reasons, is not paying the entire amount, application can be submitted by paying not less than 10% of applicable Processing Charges, subject to a minimum of ₹5,000 + GST (non-refundable) for all loans. Balance/ remaining Processing Charges should be paid before documentation/first disbursement.

2) After inwarding the proposal and collection of Processing Charges (full or ₹ 5000/- as the case may be), if the loan is not sanctioned or rejected by us, then the processing charges already collected less ₹5,000 + GST will be refunded to the applicant. In case minimum of ₹5000/- + GST collected, the same will not be refunded. If the loan is sanctioned and communicated, but the applicant does not want to avail the loan and requests for cancellation of limit, then, the actually collected Processing Charges, less ₹ 6,000/- will be refunded to the customer on the basis of written request in case of all loans.

15. Refund of Processing Charges under referral scheme

Referral Scheme: Whenever a customer pays processing charges for his loan (either by direct application or through DSA), then he has the option of claiming refund, either part or in full, of the processing charges paid by him upon introduction and sanction, disbursement of loans to his relatives/ friends in our Company. If existing customer (say Mr. A), introduces new loan customers (say Mr. B,C & so on) to us who subsequently get their loans sanctioned and upon disbursement of such loan, then existing customer (Mr. A) is eligible for reimbursement of Processing Charges upto the extent of what he has already remitted to us.

The reimbursement will be @ 0.15% of disbursements in new loan accounts of new customers (i.e. Mr.B, C and so on) on pro rata basis and such amount will be credited to his loan account at quarterly intervals. For details, refer branch manager.

IX. Storage of Documents

- a) The documents are stored in the fireproof Central Deposit Storage Centres (CDSC) at Uttarahalli in Bangalore (for South zone branches in Karnataka, Kerala and Tamil Nadu), Ramachandrapuram in Hyderabad (AP, Telangana, East and West zone branches) and Gurgaon in Haryana (for North zone branches)
- b) Upon closure of loan, the documents will be returned. The customers will be duly intimated by the branches to collect back the documents within 15 days of closure of the loan. If the documents are urgently required (say within 4 days), then actual courier charges (upto ₹300/- + GST) has to be remitted.
- c) If the borrower requests for copies of any property documents during pendency of the loan, a minimum of 15 days' notice should be given to the concerned branch for retrieval of the requested documents, by paying the actual courier charges +₹300/- + GST.
- d) If the documents are not taken delivery by borrower, then safe custody charges @₹200/-p.m.+ GST will be levied while delivering the documents
- e) The title deeds deposited by the borrower/s or guarantor/s for creation of mortgage will be returned to the said persons or their legal heirs only on closure of the entire loan liabilities of the borrowers /guarantors due under the loan/s availed directly or indirectly against the security of such properties.
- f) The Company takes proper care and caution while dealing with the property documents submitted by the borrower. If for any reasons, the documents are lost or damaged for the reasons beyond the control of the Company and the Company is not able to produce such documents, the Company will arrange for providing certified copies of such documents as permissible under Law/ Policy of the Company.

X Application of Code

1. The Code is applicable under normal operating environment except in the event of any force majeure.
2. The code is based on the ethical principles of integrity and transparency and all actions and dealing shall follow the spirit of the Code.

Place: Bangalore

Date: 31/12/18

Sd.
Shamila M
General Manager