

Policy guidelines on Resolution Framework 2.0

The following are the policy guidelines adopted by the Company with regard to implementation of the Resolution Framework 2.0 as per the Board approved policy of the Company.

RBI vide notification DOR.STR.REC.11/21.04.048/2021-22 dated 05.05.2021 issued guidelines on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses (other than MSME).

1.	Applicability & Eligibility	<p>The Resolution Plan (RP) is applicable to all Housing loans, Non-Housing loans and Builder loans.</p> <ul style="list-style-type: none"> ▪ The eligible borrowers for resolution under this framework are those having stress on account of COVID-19, were classified as standard as at March 31, 2021 and where viability of Resolution Plan is established. ▪ Individuals who have availed of loans and advances for business purposes and to whom the lending institutions have aggregate exposure of not more than Rs.25 crore as on March 31, 2021. ▪ Small businesses, including those engaged in retail and wholesale trade, other than those classified as Micro, Small and Medium enterprises as on March 31, 2021, and to whom the lending institutions have aggregate exposure of not more than Rs.25 Crore as on March 31, 2021. ▪ Credit facilities provided to Company staff shall not be eligible for resolution under this framework. ▪ Convergence of the norms for loans resolved previously : In cases of loans of borrowers where resolution plan had been implemented in terms of the Resolution Framework – 1.0, such borrowers are also eligible for resolution under this window to modify such plan only to the extent of increasing the period of moratorium/extension of residual tenor subject to overall caps on moratorium and / or extension of residual tenor granted under Resolution Framework – 1.0 and this framework combined, shall be two years. 		
2.	Invocation of Resolution Plan	<ul style="list-style-type: none"> ▪ Resolution under this framework shall be invoked not later than September 30, 2021 or 30 days from the date of application whichever is earlier and must be implemented within 90 days from the date of invocation. ▪ The resolution process under this window shall be treated as invoked when the Company and the borrower agree to proceed with the efforts towards finalising a resolution plan to be implemented. In other words, the date of communication by the Company to the borrower agreeing to the Resolution Plan shall be treated as the date of invocation. ▪ The Company can take decision to invoke the resolution process under this window independent of invocation decisions taken by other lending institutions, if any, having exposure to the same borrower. 		
3.	Resolution Plan	<ul style="list-style-type: none"> ▪ <u>Resolution Plan for Individual Borrowers:</u> <table border="1" data-bbox="464 1839 1474 2020"> <tr> <td data-bbox="464 1839 628 2020">Option-1</td> <td data-bbox="628 1839 1474 2020">Rescheduling of payments with or without step-up repayment with extension of balance tenure of loan by a further period of maximum 2 years. The Step-up repayment shall not exceed 2 years from the date of implementation of resolution plan including moratorium period.</td> </tr> </table>	Option-1	Rescheduling of payments with or without step-up repayment with extension of balance tenure of loan by a further period of maximum 2 years. The Step-up repayment shall not exceed 2 years from the date of implementation of resolution plan including moratorium period.
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4.	Rate of Interest	Existing ROI will continue.				
5.	Processing charges	0.1% of the outstanding loan amount eligible for resolution subject to minimum Rs. 1000/- and Maximum Rs. 5000/-.				
6.	Other Charges	All other applicable charges to be collected as per extant guidelines.				
7.	Security/ Documents	<ul style="list-style-type: none"> ▪ Existing securities shall continue to be extended for the restructured facilities. ▪ The Resolution plan is to be duly Acknowledged/Accepted by the borrower/s. 				
8.	Conditions of resolution plan	<p>The resolution plan shall be deemed to be implemented only if all of the following conditions are met:</p> <ol style="list-style-type: none"> a. All related documentation, including execution of necessary agreements between Company and borrower are completed and collaterals provided, if any, are completed by the lenders concerned in consonance with the resolution plan being implemented; b. The changes in the terms of conditions of the loans get duly reflected in the books; and, c. Borrower is not in default with the Company as per the revised terms. 				
9.	Process of identification of stress	<p>The borrowers facing stress on account of COVID-19 have to submit the application for resolution to their respective branches. Branches if satisfied with the eligibility criteria as prescribed, have to submit the proposal for invocation & sanction of Resolution Plan, to the delegated authority.</p> <p>The following shall be taken in consideration for identification of stress:</p> <ol style="list-style-type: none"> a. Housing & Non-Housing Loans to Individuals: In case of Housing & Non-Housing Loans, identification of stress shall be based on the self-declaration submitted by the borrower along with the Branch Managers Assessment of financial stress faced by the borrower/s and the necessity of implementing the resolution plan. b. Builder Loans: <ul style="list-style-type: none"> ▪ Borrower should submit a Certificate from Chartered Accountant duly certifying the exposure of the borrower from all lending institutions. The certificate shall contain Unique Document Identification Number (UDIN). Branches shall verify the authenticity of such certificate by logging on UDIN Portal and verify the UDI Number available in certificate. ▪ In case of Companies, Board Resolution stating that the Company's operations are under stress on account of Covid-19. 				

		<ul style="list-style-type: none"> ▪ In other cases, undertaking on Notarised affidavit, that their operations are under stress on account of COVID-19 shall be taken. ▪ The resolution package shall be broadly based on the estimated/projected turnover/revenue for future years as compared to the corresponding period in previous financial year. ▪ Sanctioning Authorities to assess and approve the resolution plan.
10.	Viability of Resolution Plan for Builder Loans	<p>Viability of the Resolution Plan shall be established as under in case of Builder loans:</p> <p>The viability study shall be based on report given by the practicing Chartered Accountants, experienced in conducting such viability studies. The certificate shall contain Unique Document Identification Number (UDIN). Branches/Sanctioning authority shall verify the authenticity of such certificate by logging on UDIN Portal and verify the UDI Number available in certificate.</p>
11.	Process of handling customer grievances	The customer having any kind of grievance with regard to request for resolution and / or are undergoing resolution under the window may send an email to grievance.redressal@canfinhomes.com for redressing the grievance.
12.	Disclosure & Credit Reporting	The credit reporting by the Company in respect of borrowers where the resolution plan is implemented under this facility shall reflect the "restructured due to COVID-19" status of the account. The credit history of the borrowers shall consequently be governed by the respective policies of the credit information companies as applicable to accounts that are restructured.
13.	Other Guidelines	If the revised repayment schedule under the Resolution plan includes step-up repayment, the step-up repayment shall not exceed 2 years from the date of implementation of resolution plan including moratorium period if any.

**Please feel free to contact / mail to branch for further information, if any.
Website: www.canfinhomes.com**