

SUNDARAM HOME FINANCE LIMITED

FAIR PRACTICES CODE

A. OBJECTIVES

The Code seeks to set out, and continually improve upon, standards for fair and transparent business practices to be followed by the Company while dealing with its customers (which term denotes, depending upon the context, persons who are or may become the Company's customers, whether as borrowers or depositors, and guarantors of loans).

B. APPLICABILITY

The Code is applicable to all products & services offered by the Company and must be adhered to by the Company, its employees and other persons authorised to represent it in the course of its business across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method.

C. COMMITMENT

1. The Company shall abide by the governing laws and regulations.
2. The Company shall not discriminate on grounds of sex, religion, caste, creed, colour or physical / visual disability in its policies and operations.

D. INFORMATION AND DISCLOSURE

1. The Company shall transparently disclose to the borrower:
 - a. all information about fees/charges payable for processing the loan application, including
 - the amount of fees non-refundable/refundable if loan amount is not sanctioned/disbursed,
 - pre-payment options and charges, if any,
 - interest rates, charges, repayment terms, method of calculation and penalty for delayed payment, if any,
 - Repricing fees, 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.
 - b. The disclosures shall be done to ensure that the borrower is aware of "all in costs" inclusive of all charges involved in processing and sanctioning of loan.

2. The Company shall take all steps as may be required to provide clear information in English or an appropriate local language as required by the customer.
3. The Company shall endeavour to
 - act fairly and reasonably and with transparency in dealing with its customers.
 - take steps as may be required to provide clear information to customers, to ensure transparency about its various products and services, the terms and conditions on which these are offered by the Company, including the persons who may be contacted for securing the desired information, fees or charges applicable during processing of loan application.
 - shall display information on the notice board / official website of the company and choose such other modes of communication as it deems fit, during the course of meeting with customers or prior to entering into any transaction with customer.
4. The Company shall obtain from its customers such information as is required to meet its obligations under the prevailing statutory and /or regulatory Know-Your-Customer and Anti-Money Laundering guidelines; and if the customer fails to provide the requisite information to the satisfaction of the Company, it may decline to make available its products and services to the person concerned.
5. Keep customers informed of changes in its lending and deposit interest rates and charges through individual communications, public announcements, or website displays, as appropriate; and
6. Inform its customers of their right to information about their accounts with the Company and the facilities extended to them by the Company based on request.
7. The Company shall treat as confidential non-public private information it receives about its customers in the course of its business, and shall not disclose the information to others except where:
 - required by law or by a judicial, quasi-judicial, or regulatory authority; or
 - the Company is obliged to disclose in the public interest; or
 - the Company's interests require disclosure; or
 - the customer has consented to or asked for such disclosure.
 - If the Company is asked to provide a reference about customers, they shall obtain his/ her written permission before giving it.

E. ADVERTISING, MARKETING AND SALES:

1. The Company shall ensure that its publicity and promotional literature and other materials are not misleading.
2. in any advertisement and promotional literature that draws attention to a service or a product and includes a reference to an interest rate, the Company will indicate whether other fees and charges will apply, and full details of the relevant terms and conditions will be made available on request.
3. if the Company avails of the services of third parties for providing support services, the Company will require that they handle customer's personal information (if available to such third parties) with the same degree of confidentiality and security as the Company would.
4. The Company shall not use personal information of customers for marketing purposes by any entity including self, unless authorized by the customer.
5. The Company has prescribed a code of conduct for its Direct Selling Agencies (DSAs) whose services the Company may avail to market its products/services which, amongst other matters, requires them to identify themselves as only selling agents of the Company when they approach customer for selling the Company's products personally or through phone.
6. The Company shall ensure that any third party or agent acting on the Company's behalf or selling the Company's product complies with the code of conduct.
7. The Company shall take appropriate steps in the event of receipt of a complaint against the DSA or the representative of the Company.

F. LOANS

1. The Company shall collect all information required for processing the loan application at the time of application and shall ask for more information whenever required as assessed. The Loan application form may indicate the list of documents required to be submitted along with the application form.
2. The Company shall give an acknowledgment for receipt of the loan application and also state estimated time frame within which the application will be disposed of, subject to due diligence.
3. The Company will put loan applications through a process of due diligence to assess whether the loans sought will conform to its current lending policies and meet its credit, legal, and technical requirements.
4. The Company shall issue the Loan Offer Letter detailing the amount of loan sanctioned along with rate of interest, EMI structure and other terms and conditions of the loan and also keep a record of the written acceptance by the borrower.
5. The Company shall furnish a copy of the loan agreement along with all the annexure thereto, post the sanction / disbursement of the loan, against acknowledgement.
6. The Company shall inform the applicant in writing, about his/her rejection of loan, in case the applicant does not meet the norms of the Company.

7. In case of receipt from the borrower for transfer of his loan account, the consent or otherwise, if any shall be conveyed within 21 days from the date of receipt of the request.
8. While resorting to recovery of delinquent loans, the Company, in line with its traditional practice, will not resort to methods that may be considered as harassment or coercion of the borrowers and related parties and the Company shall follow lawful measures to recover dues from defaulting customers.

G. GUARANTORS

Where a loan is required by the Company to be guaranteed, the guarantor's obligations and the circumstances in which the guarantee may be invoked will be specified in the letter of guarantee to be executed by the guarantor or guarantors as the case may be.

H. DISBURSEMENT

1. Disbursement shall be made in accordance with terms and conditions mentioned in the Loan Agreement/ Loan Offer Letter.
2. The company shall communicate the changes in the terms and conditions including interest rate, fees and other charges and it may also display information on the notice board / official website of the company and choose such other modes of communication as it deems fit to intimate such changes and ensure such changes are applied from the date such changes are effected i.e. prospectively.
3. In case such change is disadvantageous to the customer he/ she may close his account within 60 days of the intimation of the change.
4. Decision to recall the loan or to seek additional securities shall be in consonance with the loan agreement.
5. The Company shall release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim that the Company may have against borrower, which will be duly informed to the borrower.

I. RELEASE OF PROPERTY DOCUMENTS ON REPAYMENT/ SETTLEMENT OF LOANS

The Company shall ensure the following process with respect to release of property documents on repayment/settlement of loans:

1. Release original title documents within 30 days from the date of receipt of full settlement / closure of the loan account along with removal of charge registered with any registry.
2. Handover the original documents either from the branch where the loan account was serviced or any other office of SHFL as preferred by the customer upon written request.
3. Have a well laid out procedure for return of original documents to the legal heirs in order to address the contingent event of demise of the sole borrower or joint borrowers, and the policy shall also be displayed in our website.
4. Communicate to the customer any reasons for delay in the procedure of releasing the property documents along with a framework of compensation in cases where delay in the return of documents is attributed to the company.

5. Assist the customer to obtain certified copies of the original documents within 60 days of closure of loan where the original documents are either lost/ damaged in part or in full.

J. PENAL CHARGES

The Company shall ensure the following on Penal Charges in loan accounts:

1. No capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
2. Quantum of penal charges shall be reasonable and commensurate with the noncompliance of material terms and conditions of loan accounts shall be non-discriminatory.

K. RESET OF FLOATING INTEREST RATE ON EMI

1. The Company shall offer the option to switch to a fixed interest rate at the time of rate reset along with the number of times a customer can opt for this switch during the tenor of the loan.
2. The Company shall give the option to increase / decrease tenure of the loan / increase EMI instead of extending the tenure of loan / pre-pay the loan either in full or in part, subject to foreclosure charges / part prepayment charges as applicable.

L. DEPOSITS

The website and deposit-application forms of the Company shall provide details of the terms on which it may accept deposits, including the periods for which the deposits may be accepted, the rates of interest offered, nomination, renewal, premature withdrawal, and loans that may be available against the deposits.

M. DISCLOSURE TO CREDIT REFERENCE AGENCIES

The Company shall ensure that:

1. The customer shall be informed that the details of the customer's account shall be passed on to credit reference agencies.
2. The Company may give credit reference agencies other information about the customer's account if the customer has given his / her permission to do so.
3. The Company shall, if demanded by the customer, furnish a copy of the information submitted to the credit reference agencies.

N. COMPLAINTS & GRIEVANCES

1. The Company shall ensure that a duly approved grievance redressal policy is in place, including grievance redressal mechanism, levels of escalations, is available at all of its branches as well as its website.
2. The Company shall make available amenities at each of its branches and offices for customers to lodge and/or submit their complaints / grievances, if any.

3. The Company shall endeavour to address/respond to all complaints / grievances within 30 days of receipt of a complaint and keep the customers informed about the status of redressal of the complaints/grievances. In case the customer is not satisfied with the response, he/she will be intimated on the next level of escalation.
4. The Company will send an acknowledgement/interim-response within seven days from date of receipt of complaint.

O. COPIES OF THE CODE

This Code will be posted on the Company's website, and copies may also be obtained from its corporate and other offices.