

**WEST END HOUSING FINANCE LIMITED
(WEHFL)**

“FAIR PRACTICE CODE”

Approval Date: 5th July, 2016

1. OBJECTIVES and APPLICATION

1.1 Objectives of the Code

The Code has been developed to:

- a) **promote good and fair practices** by setting minimum standards in dealing with customers;
- b) **increase transparency** so that the customer can have a better understanding of what he or she can reasonably expect of the services;
- c) **encourage market forces**, through competition, to achieve higher operating standards;
- d) **promote a fair and cordial relationship** between customer and WEHFL; and
- e) **foster confidence** in the housing finance system.

1.2. Application of the Code

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

2. FAIRNESS AND TRANSPARENCY

WEHFL shall act fairly, reasonably and in a transparent manner in all dealings with Customers by ensuring that –

- a. The commitments and standards prescribed in this Code are met for all products, services, procedures and practices.
- b. Our products and services meet relevant laws and regulations in letter and spirit.
- c. Our dealings with customers rest on the ethical principles of integrity and transparency.

3. ADVERTISING, MARKETING AND SALES

3.1 WEHFL shall;

- a) Ensure that all advertising and promotional material is clear, and not misleading.
- b) In any advertising in any media and promotional literature that draws attention to a service or product and includes a reference to an interest rate, WEHFL shall also indicate whether other fees and charges shall apply and that full details of the relevant terms and conditions are available on request.

- c) WEHFL shall provide information on interest rates, common fees and charges through putting up notices in our branches; through telephone or help-lines; on the company's website; through designated staff or help desk; or providing service guide or tariff schedule.
- d) If WEHFL avail of the services of third parties for providing support services, WEHFL shall require that such third parties handle customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as WEHFL would.
- e) WEHFL may, from time to time, communicate to customers various features of their products availed by them. Information about their other products or promotional offers in respect of products or services, may be conveyed to customers only if he or she has given his or her consent to receive such information or service either by mail or by registering for the same on the website or on customer service number.
- f) Prescribe a Code of Conduct for our Direct Selling Agencies or HLAs or CRAs, whose Services are availed to Market Products or services which, amongst other matters, require them to identify themselves when they approach the Customer for selling our Products.
- g) In the event of receipt of any complaint from the customer that our representative or courier or DSA has engaged in any improper conduct or acted in violation of this Code, appropriate steps shall be initiated to investigate and to handle the complaint and to make good the loss.

4. LOANS

4.1 (i) Applications for loans and their processing

- a) WEHFL shall inform customers of all necessary information through application forms or brochures or posters or during the course of meeting with the customers etc. which affects the interest of the Customer. Also, WEHFL shall provide the indicative list of documents required to be submitted along with the loan application form.
- b) WEHFL shall follow the system of giving Acknowledgement for receipt of Loan Application preferably along with time frame for disposal depending upon the level of authority for sanction of loan.

(ii) Loan Appraisal and terms or conditions:

- a) Normally all particulars required for processing the Loan Application shall be collected by WEHFL at the time of application. In case we need any additional information, the Customer shall be informed accordingly.
- b) WEHFL shall convey in writing to 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.
- c) WEHFL shall invariably provide copies of all the Loan Documents executed by the Customer along with a copy each of all enclosures quoted in the Loan Document

(iii) Communication of rejection of Loan Application:

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

(iv) Disbursement of loans including changes in terms and conditions:

- a) Disbursement would be made in accordance with the disbursement schedule given in the Loan Agreement or Sanction Letter.
- b) WEHFL shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, other applicable fee or charges etc. WEHFL should also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard has been incorporated in the loan agreement.
- c) If such change is to the disadvantage of the customer, he or she may within 60 days and without notice close his or her account or switch it without having to pay any extra charges or interest.
- d) Decision to recall or accelerate payment or performance under the agreement or seeking additional securities, shall be in consonance with the loan agreement.
- e) WEHFL 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 WEHFL may have against borrower. If such right of set off is to be exercised, the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which WEHFL is entitled to retain the securities till the relevant claim is settled or paid.

4.2 Guarantors

When a person is considering to be a guarantor to a loan, he or she shall be informed about

- a) his or her liability as guarantor;

- b) the amount of liability he or she shall be committing him or herself to the company;
- c) circumstances in which WEHFL shall call on him or her to pay up his or her liability;
- d) whether WEHFL has recourse to his or her other monies in the company if he or she fails to pay up as a guarantor;
- e) whether his or her liabilities as a guarantor are limited to a specific quantum or are they unlimited; and
- f) time and circumstances in which his or her liabilities as a guarantor shall be discharged as also the manner in which WEHFL shall notify him or her about this
- g) In case the guarantor refuses to comply with the demand made by the creditor or lender, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a wilful defaulter

WEHFL shall keep him or her informed of any material adverse change(s) in the financial position of the borrower to whom he or she stands as a guarantor.

4.3. Privacy and Confidentiality

All personal information of customers shall be treated as private and confidential [even when the customers are no longer customers] and shall be guided by the following principles and policies. WEHFL shall not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies or entities in their group, other than in the following exceptional cases:

- a) If the information is to be given by law.
- b) If there is a duty towards the public to reveal the information.
- c) If WEHFL's interests require us to give the information (for example, to prevent fraud) but it should not be used as a reason for giving information about customer or customer accounts (including customer name and address) to anyone else, including other companies in the group, for marketing purposes.
- d) If the customer asks WEHFL to reveal the information, or with the customer's permission.
- e) If WEHFL asked to give a reference about customers, we shall obtain his or her written permission before giving it.
- f) The customer shall be informed the extent of his or her rights under the existing legal framework for accessing the personal records that WEHFL holds about him or her.

g) WEHFL shall not use customer's personal information for marketing purposes by anyone including WEHFL unless the customer specifically authorizes WEHFL to do so.

4.4. Credit reference agencies

a) When a customer opens an account, WEHFL shall inform him or her that they may send his or her account details to credit reference agencies and the checks WEHFL may make with them.

b) WEHFL may give information to credit reference agencies about the personal debts the customer owes them if:

i. The customer has fallen behind with his or her payments;

ii. The amount owed is not in dispute; and

iii. The customer has not made proposals that WEHFL is satisfied with, for repaying his or her debt, following WEHFL's formal demand

c) In these cases, WEHFL shall intimate the customer in writing that WEHFL plans to give information about the debts the customer owes them to credit reference agencies. At the same time, WEHFL shall explain to the customer the role of credit reference agencies and the effect the information they provide can have on customer's ability to get credit.

d) WEHFL may give credit reference agencies other information about the customer's account if the customer has given them his or her permission to do so.

e) A copy of the information given to the credit reference agencies shall be provided by WEHFL to a customer, if so demanded.

4.5. Collection of Dues

4.5.1 Whenever loans are given, WEHFL should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process shall involve reminding the customer by sending him or her notice or by making personal visits and/ or repossession of security if any.

4.5.2 WEHFL's collection policy is built on courtesy, fair treatment and persuasion. WEHFL believes in fostering customer confidence and long-term relationship. WEHFL's staff or any person authorized to represent them in collection of dues and/ or security repossession shall identify himself or herself and display the authority letter issued by WEHFL and upon request, display his or her identity card issued by WEHFL or under authority of the company. WEHFL shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.

4.5.3 All the members of the staff or any person authorized to represent WEHFL in collection and/ or security repossession should follow the guidelines set out below:

- a) Customer shall be contacted ordinarily at the place of his or her choice and in the absence of any specified place, at the place of his or her residence and if unavailable at his or her residence, at the place of business or occupation.
- b) Identity and authority to represent WEHFL should be made known to the customer at the first instance.
- c) Customer's privacy shall be respected.
- d) Interaction with the customer shall be in a civil manner.
- e) WEHFL's representatives shall contact the customers between 0700 hrs and 1900 hrs, unless the special circumstances of the customer's business or occupation require otherwise.
- f) Customer's request to avoid calls at a particular time or at a particular place shall be honoured as far as possible.
- g) Time and number of calls and contents of conversation would be documented.
- h) All assistance should be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- i) During visits to customer's place for dues collection, decency and decorum should be maintained.
- j) Inappropriate occasions such as bereavement in the family or such other calamitous occasions should be avoided for making calls or visits to collect dues.

4.6. Complaints and Grievances

- a) WEHFL shall have a system and a procedure for receiving, registering and disposing of complaints and grievances in each of its offices
- b) The Board of Directors of WEHFL shall lay down the appropriate grievance redressal mechanism within the organization to resolve complaints and grievances. Such a mechanism shall ensure that all disputes arising out of the decisions of lending institution's functionaries are heard and disposed of at least at the next higher level.
- c) Customer shall be told where to find details of WEHFL procedure for handling complaints fairly and quickly.
- d) If the customer wants to make a complaint, he or she shall be told:

- I. How to do this
- II. Where a complaint can be made
- III. How a complaint should be made
- IV. When to expect a reply
- V. Whom to approach for redressal
- VI. What to do if the customer is not happy about the outcome.
- VII. WEHFL's staff shall help the customer with any questions the customer has.

e) If a complaint has been received in writing from a customer, WEHFL shall endeavor to send him or her an acknowledgement or response within a week. The acknowledgement should contain the name and designation of the official who shall deal with the grievance. If the complaint is relayed over phone at WEHFL's designated telephone helpdesk or customer service number, the customer shall be provided with a complaint reference number and be kept informed of the progress within a reasonable period of time.

f) After examining the matter, WEHFL shall send the customer 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 or she should be informed how to take his or her complaint further if he or she is still not satisfied.

g) We shall publicize our grievance redressal procedure and ensure that it is specifically made available on our website. We shall clearly display in all our offices or branches and on the website that in case the complaint does not receive response from the company within reasonable time or is dissatisfied with the response received, the complainant may approach the National Housing Bank at the following address: -

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

5. GENERAL

5.1. WEHFL shall verify the details mentioned by him or her in the loan application by contacting him or her at his or her residence and/ or on business telephone numbers and/ or physically visiting his or her residence and/ or business addresses through agencies appointed for this purpose, if deemed necessary by WEHFL.

5.2. The customer should be informed to co-operate if WEHFL needs to investigate a transaction on the customer's account and with the police or other investigative agencies, if WEHFL needs to involve them.

5.3. WEHFL should advise the customer that if the customer acts fraudulently, he or she shall be responsible for all losses on his or her account and that if the customer acts without reasonable care and this causes losses, the customer may be responsible for the same.

5.4. WEHFL shall display about its products and services in any one or more of the following languages:

Hindi, English or the appropriate local language.

5.5. WEHFL shall not discriminate on grounds of sex, caste and religion in the matter of lending. Further, WEHFL shall also not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities, etc. However, this does not preclude WEHFL from instituting or participating in schemes framed for different sections of the society.

5.6. WEHFL shall process requests for transfer of a loan account, either from the borrower or from a bank or financial institution, in the normal course.

5.7. To publicize the code, WEHFL shall:

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

5.8. The Board of Directors of WEHFL shall provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

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