

Code of conduct for recovery agents and Policy for collection of dues & repossession of security

The Company provides home loan, loan against property & construction finance to individuals and non-individual customers. It also provides corporate and realty finance for construction to builders and developers.

Loan is sanctioned to customer based on the approved policies. The policies outline the documentation and credit norms for approval of loan to the customers. The policy is framed in accordance with the guidelines issued by the regulator from time to time. In spite of the due diligence conducted at the time of giving the loan, the customer may not be able to service or stop servicing his obligation and may turn delinquent. In such a situation, the Company can initiate process for recovery of dues or repossession of property.

This policy outlines the code of conduct to be followed for collection of dues and repossession of security from the customer.

Collection and recovery process

The activities related to collection of dues, repossession and asset disposal for delinquent accounts is undertaken by the Company.

Engagement of recovery agents

Recovery agents shall mean agencies engaged by the Company for recovery of dues from its borrowers and the agents / employees of these agencies. The Company may either directly or through outsourced agency initiate recovery of dues from customer. The Company shall obtain the undertaking of recovery agents to abide by this code of conduct. While engaging the services of recovery agencies, the Company shall ensure that the employees of the recovery agency engaged in recovery process are employed after carrying out verification of qualification, background, experience of their employees including pre-employment police verification, and the Company may decide the periodicity at which re-verification of the said requirements should be done.

Further, the outsourcing agreement should provide for the prohibition of further outsourcing by the service provider for all or part of an outsourced activity.

Training of recovery agents

- The Company should ensure that, the recovery agents are properly trained to handle with care and sensitivity, their responsibilities, in particular aspects like hours of calling, privacy of customer information etc.
- In line with the regulatory guidelines, adequate training shall be provided to the recovery agents, and it shall be ensured that every agent will clear the exam conducted by Indian Institute of Banking & Finance (IIBF) for the purpose. Further, the service providers engaged by the Company should also employ only such personnel who have undergone the said training and obtained the certificate from IIBF.
- The Company would ensure that its own employees (if involved) also adhere to these guidelines during the loan recovery process. It will be the endeavor to ensure that the agents appointed do not adopt uncivilized, unlawful and questionable behavior for recovery.

Intimating borrowers about recovery agents

In accordance with the guidelines (including Fair Practices Code) issued by RBI, the employees of the Company or any person authorized to represent it shall observe the following:

1. Prominently display the list of recovery agency firms/ companies/ individual as the case may be, empaneled with it including name and period of empanelment on its website, branches/offices, mobile applications or any other platform which is being used for engagement with customer.
2. Whenever loans are given, the Company shall 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 will involve reminding the customer by sending him / her notice or by making personal visits and / or repossession of security, if any.
3. HFC should inform the borrower, the details of recovery agency firms/companies while forwarding default cases to the recovery agency.
4. The Company's staff or any person authorized to represent them in collection of dues / and security repossession shall identify himself / herself, carries the copy of notice and copy of the authority letter issued by the Company and upon request, display his / her identity card issued by the Company or under authority of the Company. In the case of recovery agents, they shall additionally carry and produce a copy of the authority letter issued by the Company or under its authority. The Company shall provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues. Where the recovery agency is changed by the HFC during the recovery process, in addition to the HFC notifying the borrower of the change, the new agent should carry the notice and the authorization letter with his identity card.

Recovery methods followed by recovery agents

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

- a) Recovery shall be made at a designated/ central designated place decided mutually by the customer and the Company. However, field staff shall be allowed to make recovery at the place of residence or work of the borrower if the customer fails to appear at the designated / central designated place on two or more successive occasions.
- b) The person representing the Company shall inform the customer about his Identity and authority to represent the Company at the time of first meeting.
- c) Customer's privacy shall be respected.
- d) Interaction with the customer shall be in a civil manner
- e) Normally, the recovery agent shall endeavor to contact the customers between 0800 hrs. and 1900 hrs., unless the special circumstances of the customer's business or occupation require otherwise
- f) Customer request to avoid calls at a particular time or at a particular place shall be honored as far as possible.

- g) The Company shall document the efforts made for recovery of dues including the time and number of calls and contents of conversation and the copies of communications sent to the customers would be kept on record.
- h) All assistance shall be given to the customer to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner.
- i) The collection process is based on courtesy, fair treatment and gentle persuasion. The Company will not use undue harassment or physical force to facilitate collections. During visits to customer place for collection of dues, decency and decorum shall be maintained.
- j) Only employees of the recovery agency shall visit the borrower's premises for the recovery/ collection activity and no other person shall accompany such Recovery Agent.
- k) Inappropriate occasions such as bereavement in the family or such other calamitous occasions, or marriage functions, festivals etc. shall be avoided for making calls / visits to collect dues.
- l) The customer would be provided with relevant information regarding the outstanding amount to enable discharge of dues.
- m) The written communication sent by the collection agent to the borrower should have the approval of the Company.
- n) The recovery agents appointed by the Company shall interact only with the customer/ borrower or the guarantor (only if so required) and shall not approach any other relatives/ contacts of the borrower.

Monitoring of recovery agencies

It is advised to undertake a periodical review of the mechanism to learn from experience, to effect improvement for improvement in the guidelines. The details on monitoring of outsourced activity and outsourced vendors are elaborated in the policy on outsourcing and procedural guidelines on outsourcing activities of the Company.

Complaints against recovery agents

The Company has in place a customer's grievances mechanism and the details of the same have been elaborated in Customer Grievance Redressal Mechanism (CGRM). The Company will not forward cases to recovery agencies till they have finally disposed of any grievance/ complaint lodged by the concerned borrower. However, if the Company is convinced, with appropriate proof, that the borrower is continuously making frivolous complaints, it may continue with the recovery proceedings through the Recovery Agents even if a grievance/ complaint is pending. Also, the Company shall exercise utmost caution in referring the matter to recovery agent if the matter of borrower's due is sub judice. The company should exercise utmost caution, as appropriate, in referring the matter to the recovery agencies, depending on the circumstances.

This policy shall be reviewed once in two years or as and when required.