

Guidelines on Fair Practices Code for Lenders

All application forms for loans and/or facility advice letters, as applicable will contain the following:

- The fees / charges payable for processing;
- The amount of fees / charges refundable if the application is not considered
- The pre-payment options
- Any other matter which affects the interests of the borrower.

All loan applications accepted for processing shall be duly acknowledged. However, in case of corporate banking, where credit proposals are initiated based on detailed discussions with the customer, the process of application / acknowledgment may not be followed. In case of loan applications up to ₹2 lakhs, the acknowledgement will also indicate the period within which the application will be disposed off.

The Bank will verify the loan applications received within a reasonable period of time and if additional details / documents are required, the same will be intimated to the borrowers within such reasonable period of time.

All rejection of loan applications received will be conveyed in writing giving the main reasons for rejection of the loan application, within the stipulated time.

Bank will ensure proper assessment of loan application in accordance with the Bank's credit policies and procedures. The Bank will not use margin and security stipulations as a substitute for due diligence on credit worthiness of the borrower.

After assessment of the request, the Bank will convey to the borrower the credit limit along with the terms and conditions thereof.

The borrower's acceptance of the applicable terms and conditions will be maintained on record.

Terms and conditions and other caveats governing credit facilities if arrived at after negotiation with the borrower will be reduced in writing and duly certified by the authorised official. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement will be furnished to all borrowers.

In the case of consortium lending the procedure for appraisal, sanction or rejection will be done in consultation with the participating members.

The Bank shall ensure timely disbursement of loans sanctioned in conformity with the terms and conditions governing such sanction. The Bank shall give reasonable notice of any change in terms and conditions including interest rate, service charges etc. Bank shall ensure that changes in interest rates and charges are only effected prospectively.

Post-disbursement supervision will be conducted in accordance with normal banking practice, the applicable terms and conditions and the extant guidelines issued by the Reserve Bank of India. The Post disbursement supervision in respect of loans up to ₹2 lakhs will, as far as possible, be aimed at resolving any customer service issues that the borrower may face.

Before taking a decision to recall of any advance or accelerating repayment thereof or demanding additional security, the Bank will give notice to the borrower as stipulated in the Loan Agreement or a reasonable period if no such condition exists in the loan agreement.

The Bank will release all securities on receiving payment of loan or realization of loan subject to any legitimate right or lien for any other claim that the Bank may have against the borrower. If such a 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 documents under which the Bank is entitled to retain the securities till the relevant claim is settled/paid.

The Bank will not interfere in the affairs of the borrower except for what is provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Bank).

No discrimination will be made in respect of granting facilities, on the grounds of sex, caste and religion. However, this does not preclude the Bank from participating in credit-linked schemes framed for weaker sections of the society.

In respect of recovery of outstanding dues, the Bank shall act in accordance with its policy on collection of dues and repossession of security.

In case of receipt of request for transfer of borrowable account, either from the borrower, which proposes to take-over the account, the consent or otherwise i.e, objection of the Bank, if any, should be conveyed within 21 days from the date of receipt of request.

All disputes in respect of the Bank's actions/decisions concerning loans and advances, shall be dealt with in accordance with the grievance redressal procedure of the Bank.