



ORANGE CITY HOUSING
Finance Private Limited
(Formerly Known as ORANGE CITY HOUSING FINANCE LIMITED)

Guidelines on Engagement of Recovery Agents

Version 1.1

For Private Circulation Only

I. Introduction

Orange City Housing Finance Private Limited (OCHFL) is a Housing Finance Company (HFC) based in Nagpur, registered with the National Housing Bank, New Delhi, wholly owned by the Reserve Bank of India. OCHFL is incorporated with Registrar of Companies, Mumbai under the Companies Act 1956, and is one of the 100 odd HFC license holders across India and the first in Central India. OCHFL aims to provide affordable housing loans to all sections of society. Since our inception, we will lead our customers on the path to prosperity by providing home loans to individuals for Purchase / Construction / Extension / Renovation etc. to help them to achieve their goals of owning their own home.

II. Company Philosophy

OCHFL was created to provide credit access to first time home buyers in EWS/LIG/MIG category and aims to contribute meaningfully towards the Indian Government's mission of "Housing for All". The Company intends to work on a philosophy of giving back to the society in a way and fashion that will cause a sustainable change for the less fortunate of India's populace without any discrimination based on religion, creed, caste, color or gender. The Company aims to undertake those initiatives which would bring about positive irreversible change for the betterment of the society and would help the beneficiaries quantitatively and qualitatively in their lives, with the underlying aim of decreasing the wealth inequality of Indian society.

Our Vision is to be the leading Housing Loan provider known for

- Exceptional Customer Service
- Loan Affordability
- Transparency of Operations
- Contribution to Society

OCHFL is geared towards fostering a maximally satisfied customer base with a mutually profitable relationship. It is therefore important to be completely open and honest with the customer and use simple, clear and unambiguous terms when offering a product or service to them.

This Policy serves as a set of broad guidelines to the loan origination team with these policy principles in mind.

III. Mission of Policy

OCHFL wholeheartedly believes in and complies with the general practices that are in line with the Master Directions and Circulars provided by the National Housing Bank

to HFCs. At OCHFL, we believe that an effective management and administration combined with transparency and accountability is imperative to ensure a long and healthy life for the company.

The purpose of this document is to define lending policy and guidelines for the company in accordance with the Company law and NHB Master Directions and Circulars for HFCs. This is a living document and should be updated on a regular basis. Any regulatory changes that would impact the accountability of the company should be reflected here.

This document should not be seen in isolation but in conjunction with the other policy documents that define the overall workings of the company. For the sake of simplicity and to avoid confusion, any matter covered in other policy documents is not repeated in this document.

IV. Applicability

For the purpose of these Guidelines, the Agents will include recovery agencies engaged by the Company and hence would include agents/ employees of these recovery agencies, and also staff members of OCHFL engaged in the process of collection of dues. The Guidelines shall form part of the agreement between the Company and the Agents. The Agencies/ Agents must agree to abide by these Guidelines prior to undertaking any recovery operations on behalf OCHFL; in case of violation of Guidelines the Company may initiate appropriate action against the Agencies/ Agent(s).

V. Engagement of Recovery Agents

Before engaging Recovery Agencies, the Company will conduct a due diligence on them to ensure verification of the antecedents of their employees, which may also include pre-employment police verification. Further, as a matter of abundant caution, the Company may decide the periodicity at which re-verification of antecedents must be resorted to. The Company will monitor the activities of Agents on a regular basis through internal feedback, and available market information/ public information to determine any adverse, unlawful, uncivilized practice/ behavior by the Agents, to enable appropriate action as may be deemed necessary.

VI. Training of Recovery Agents

The Company shall ensure that the Agents are properly trained to handle their responsibilities with reasonable care and sensitivity, which shall include aspects like calling hours, privacy of customer information/database etc.

The Company will ensure that the Agents/ staff appointed by the Company have undergone requisite training for collection of dues as suggested by Reserve Bank of India. The Company will also conduct in-house training session for the Agents/ staff, in line with extant Guidelines and market practices on a regular basis, to ensure uniformity in the standards of training.

VII. Intimating Borrowers

The Company shall use written communications, telephonic reminder(s), or visits by Agents/ staff/ Authorized Representatives as measures for collection of dues on a regular basis.

The Company shall not initiate any legal or other recovery measures including security repossession without giving due notice in writing to the borrower. This written notice shall include Name, Address, Contact Number of the Agent and its Agency. Where the borrower has not received the notice due to non-availability/refusal/avoidance, the Agents/ staff shall carry copy of notice and the authorization letter along with identity card issued by the Company/ Agency. Also, upon any change of Agent/ Agency, the Company shall inform the borrower of the same, and the new designated Agent shall carry the changed notice and the authorization letter along with his identity card.

The notice and the authorization letter should, among other details, also include the telephone numbers of the relevant recovery Agency. The Company shall ensure that the Agents engaged by OCHFL has the infrastructure for tape recording of the content/ text of the calls made by Agents to the customers, and vice-versa. The details of the recovery agency firms/companies engaged by Company will be posted on the Company's website and updated periodically.

VIII. Incentives to Recovery Agents

The Company shall not set abnormally stiff collection targets or abnormally high incentives as it may encourage Agents to adopt unfair, uncivilized, unlawful and questionable behavior during the recovery process.

The structure for fee/ charges would be approved by delegated seniors of the Company and will be reviewed from time to time. The slab-wise rate of fees may be set depending upon the age of NPA, prospects of realization of security. Higher fees may be considered for uncharged interest and legal expenses.

IX. Method followed by Recovery Agents

As per extant NHB Guidelines on Fair Practice Code, Agents/ staff/ authorized representative of the Company shall follow the below mentioned Guidelines during the process of collection of dues and/ or security repossession.

- a. The Customer would be contacted ordinarily at the place of his/ her choice; and in the absence of any specified place, at the place of his/ her residence; and if unavailable at his/ her residence, at the place of business/ occupation.
- b. Identity and authority to represent the Company for follow up and recovery of dues should be made known to the customer at the first instance. The Company staff or any person authorized to represent OCHFL in collection of dues or/and security repossession will identify himself/ herself and display the authority letter issued by OCHFL upon request.
- c. The Company shall respect the privacy of its borrowers.
- d. The Company is committed to ensure that all written and verbal communication with its borrowers will be in simple business language and OCHFL will adopt civil manners for interaction with borrowers.
- e. OCHFL's representatives would contact customers between 10 a.m. to 06.30 p.m. (IST), unless the special circumstances of the customer's business or occupation requires OCHFL to contact at different time.
- f. The Customer's request to avoid calls at a particular time or at a particular place will be honored as far as possible.
- g. OCHFL will document the efforts made for the recovery of dues and the copies of communications with customers, if any, will be kept in the Company's official records.
- h. All assistance will 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 will be maintained.
- j. Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/ visits to collect dues.

X. Repossession of Security Mortgaged to Company

Repossession of securities by OCHFL is aimed at recovery of dues in the event of default and is not aimed at whimsical deprivation of the property to the borrower. The recovery process through repossession of security will involve repossession, valuation of security and realization of security through appropriate means.

All these would be carried out in a fair and transparent manner and as per legal procedures detailed under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and the Security Interest (Enforcement) Rules, 2002. These procedures will be followed not only for enforcing security interest but also for auctioning the movable and immovable property after enforcing the security interest.

Repossession will be done after issuing the due notice as detailed above. Due process of law will be followed while taking repossession of the property. OCHFL will take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business.

- **Valuation and Sale of Property**

Valuation and sale of property repossessed by OCHFL will be carried out as per law and in a fair and transparent manner. OCHFL will have the right to recover from the borrower the balance due if any, after sale of property. OCHFL shall have the primary right of set-off and lien, irrespective of any other lien or charge. The lien shall be valid and binding on the borrower and operative until repayment in full of all moneys due to OCHFL from the borrower. Excess amount if any, obtained on sale of property will be returned to the borrower after meeting all the related expenses, provided OCHFL is not having any other claims against the customer.

- **Opportunity for the borrower to take back the security**

As indicated earlier in the policy document, OCHFL will resort to repossession of security only for the purpose of realization of its dues as the last resort and not with intention of depriving the borrower of the property. Accordingly, OCHFL will be willing to consider handing over possession of property to the borrower any time after repossession and before concluding sale transaction of the property, provided the Company dues are cleared in full within the time frame specified by OCHFL. If satisfied with the genuineness of borrower's inability to pay the loan installments as per the schedule which resulted in the repossession of security, OCHFL may at its sole discretion consider handing over the property after receiving the installments in arrears. However, this would be subject to OCHFL being convinced of the arrangements made by the borrower to ensure timely repayment of remaining installments in future

XI. Complaints Against Recovery Agents

All Complaints received from the Customers in connection with recovery of dues shall be resolved as per the Company's grievance redressal procedures.

If at any stage, if a customer is not satisfied with the service given to him/ her, he/ she can to contact the Company. The customer's first point of contact for redressal of any complaint will be the Company's local office. If no reply is received by the customer

within 7 working days from the local office, or if he/ she is not satisfied with the reply received him/her, the customer can write to the Corporate Office, as under:

“ORANGE CITY HOUSING FINANCE LIMITED”

Plot No. 34, Gajanan Krupa Appartment, Behind Canal Road, New Ramdaspath, Nagpur-440 010.

If the customer does not hear from the Company within a fortnight, or if he/ she is not satisfied with the response, the customer may write to the National Housing Bank to look into the provision of satisfactory service, if so desired.

In case of any complaint/ grievance lodged by any borrower against any recovery agent, OCHFL will not forward fresh cases to that Agency till final disposal of grievance lodged by the concerned borrower. This covenant would not be applicable where the Company is convinced, with appropriate proof, that the borrower is continuously making frivolous/ vexatious complaints in order to avoid the settlement of the dues. Where the subject matter of the borrower's dues is sub-judice, the Company will exercise utmost caution, as appropriate, before referring the matter to the recovery agencies.

XI. Periodical Review, Monitoring and Control

Company will have a mechanism for periodical review to effect any improvements on its structure. The Collection Dept will send a note in this regard to the Banking & Finance Committee on a quarterly basis.