

FAIR PRACTICES CODE (FPC)

1) INTRODUCTION AND APPLICABILITY

The Fair Practice Code (hereafter, "Code") has been framed by ART Housing Finance (India) Limited (hereinafter, "the Company" or "AHF") pursuant to the "Guidelines on Fair Practices Code (hereinafter, "Code" or "FPC") issued by the National Housing Bank (NHB) to promote transparency between the Company and the end users and also to provide for well-informed business relationships. The Code should be published and disseminated on the website of the Company, for the information of the public.

The Code shall be applicable to all the products and services of the Company provided across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method by all the employees of the company and its associates

2) OBJECTIVES OF THE CODE

To serve as a part of best corporate practices and to provide transparency in business practices, the Company has developed and adopted this Code to:

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

3) FAIR DEALINGS AND TRANSPARENCY

The Company shall act fairly and reasonably in all its dealings with its customers by ensuring that:

- (a) the commitments and standards of the Code for the products and services offered and in the procedures and practices are followed by its all employees and associated;
- (b) the products and services offered by the Company meet the requirements of relevant laws and regulations in letter as well as spirit;
- (c) dealings with customers will rest on ethical principles of integrity and transparency.
- (d) all information about fees/ charges payable for processing the loan application, the amount of fees refundable if loan amount is not sanctioned/ disbursed, pre-payment options and charges, if any, penalty for delayed repayment is disclosed to the borrower, i.e. 'all in cost' inclusive of all charges involved in processing/ sanction of loan application and the said charges are non-discriminatory.

4) MOST IMPORTANT TERMS & CONDITIONS (MITC):

In order to promote transparency in the operations of the Company, various key aspect such as service charges, interest rates, services offered, product information, time norms for various transactions and grievance redressal mechanism, etc are covered under MITC. The Company displays its MITC on its notice board and websites and also provides the same to its customers. The same is annexed as Annexure A to this document.

5) ADVERTISING, MARKETING AND SALES

The Company shall ensure that:

- a) all the advertising and promotional material is clear, transparent and not misleading;
- b) in advertising in any media and promotional literature that draws attention to a service provided or product offered by the Company and includes a reference to an interest rate, the Company shall indicate whether other fees and charges will apply and the full details of the relevant terms and conditions will be made available on request;
- c) the information on interest rates, common fees and charges are provided, through putting up notices in branches/offices; through telephone or helplines; on Company's website; through designated staff/ help desk; or providing service guide/ tariff schedule.
- d) if the Company avails the services of third parties for providing support services, such third parties handle the customer's personal information (if any available to such third parties) with the same degree of confidentiality and security as the Company would have handled;
- e) it and its associates communicate to the customers various features of products availed by them. Information about Company's other products / services or promotional offers in respect of its products/ services, are conveyed to customers only if he/ she has given his/ her consent to receive such information/ service either by mail or by registering for the same on the website or on customer service number;
- f) it formulates a Code of Conduct for Direct Selling Agencies (hereafter, "DSAs") whose services are availed by the Company to market products/ services of the Company, which amongst other matters requires the DSAs to identify themselves when they approach the customer for selling products personally or through phone;
- g) in an event of receipt of any complaint from the customer that Company's representative/ courier or DSA has engaged in any improper conduct or acted in violation of the code, appropriate steps are initiated to investigate and handle the complaint and to make good the loss, if any.

6) LOANS

(i) Applications and Processing

- (a) Loan application form of the Company to includes necessary information which affects the interests of the borrower, so that a meaningful comparison with the

terms and conditions offered by other Housing Finance Companies can be made and informed decision can be taken by the Customer.

- (b) The Loan application form contains an indicative list of documents required to be submitted with the application form.
- (c) The Company shall provide an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be indicated in the acknowledgement.

(ii) Appraisal and Terms / Conditions

- 1. The particulars required for processing the Loan Application will be collected by the Company at the time of application and verifications. The Customer will be informed that he/she will be contacted immediately if any additional information is required to process the application.
- 2. The Company will 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 all terms and conditions by the borrower in its record.
- 3. The Company will invariably furnish a copy of the loan agreement along with a copy of each enclosure quoted in the loan agreement to every borrower at the time of sanction / disbursement of loan.

(iii) Communication of rejection of Loan Application

Company will send a communication of rejection of Loan Application to the customer along with the reason(s) for rejection.

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

- 1. The Company shall make the disbursement in accordance with the disbursement schedule given in the loan agreement / sanction letter.
- 2. The Company 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 / charges etc. Changes in interest rates and charges shall be affected only prospectively and a suitable condition in this regard shall be incorporated in the loan agreement.
- 3. If such change is to the disadvantage of the customer, he / she may within 60 days and without notice close his / her account or switch it without having to pay any extra charges or interest.
- 4. Decision to recall / accelerate payment or performance under the agreement or seeking 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 the Company may have against the borrower. If such right of set off is to be exercised, customer would be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities till the relevant claim is settled / paid.

(v) Guarantors

When a person intends to be guarantor to a loan, he/ she will be informed about:

- (a) his/her Liability as guarantor;
- (b) the amount of Liability he/she will be committing to the Company;
- (c) circumstances in which the Company will call on him/ her to pay up his/ her Liability;
- (d) whether the Company have recourse to his/ her other monies in the Company if he/ she fails to pay up as a guarantor;
- (e) whether his/ her liabilities as a guarantor are limited to a specific quantum or they are unlimited;
- (f) time and circumstances in which his/ her liabilities as a guarantor will be discharged as also the manner in which the Company will notify him / her about the discharge;
- (g) the fact that in case the guarantor refuses to comply with the demand made by the Company, despite having sufficient means to make payment of the dues, such guarantor would also be treated as a willful defaulter; and
- (h) any material adverse change/s in the repayment behavior, of the Customer for whom he/ she stands as a Guarantor.

7) PRIVACY AND CONFIDENTIALITY

All the personal information of the customers shall be treated as private and confidential (even when the customers are no longer customers of the Company) and shall be guided by the following principles and policies. The Company will not reveal information or data relating to customer accounts, whether provided by the customers or otherwise, to anyone, including other companies/entities in the 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 the Company's interests require it to give the information (for example: to prevent fraud), but this will not be used as a reason for giving information about customer or customer accounts (including customer's name and address) to anyone else, including other companies in the group, for marketing purposes;
- (d) If the customer asks the Company to reveal the information or with the customer's permission.

- (e) If Company is asked to give a reference about customers, it will obtain his / her written permission before giving it.
- (f) The customer should be informed the extent of his / her rights under the existing legal framework for accessing the personal records that the Company holds about him / her.
- (g) The Company will not use customer's personal information for marketing purposes by anyone including the Company itself, unless the customer specifically authorizes the Company to do so.

8) CREDIT REFERENCE AGENCIES

At the time of opening a new account, the Company will pass the customer's account details to credit reference agencies and may undertake other checks, as may be required, in this regard.

The Company may provide information to credit reference agencies about the personal debts the customer owes to the Company if:

- i. The customer has fallen behind with his / her payments;
- ii. The amount owed is not in dispute; and
- iii. The customer has not made satisfactory proposals for repaying his / her debt, following Company's formal demand.

In these cases, the Company shall intimate the customer in writing that it plans to give information about the debts the customer owes to the Company, to credit reference agencies. At the same time, the Company shall explain to the customer the role of credit reference agencies and the effect that the information provided by the Company, can have on customer's ability to get credit.

Other information about the customer's account may be given to the credit reference agencies if the customer has given his / her consent to do so.

A copy of the information given to the credit reference agencies will be provided to the customer, if so, demanded by him / her.

9) COLLECTION OF DUES

- (i) 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 the 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 / her notice or by making personal visits and / or repossession of security, if any.
- (ii) The Company will adopt a Collection Policy which will be built on principles of courtesy, fair treatment and persuasion. The Company believes in fostering customer confidence and long-term relationship. The Company's staff or any person authorized

to represent the Company in collection of dues or / and security repossession shall identify himself / herself and display 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. The Company will provide customers with all the information regarding dues and shall endeavor to give sufficient notice for payment of dues.

- (iii) The Company's staff or any person authorised to represent the Company in collection and/ or security possession should follow the guidelines set out below:
- a) 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 should be made known to the customer at the first instance.
 - c) Customer's privacy should be respected.
 - d) Interaction with the customer should be in a civil manner.
 - e) The Company's representatives should contact the customers between 0700 hours and 1900 hours, 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 should 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 / visits to collect dues.

10) COMPLAINTS AND GRIEVANCES

- (a) The Management under the supervision of the Board of Directors has laid down an appropriate **grievance redressal mechanism** within the Company to receive, register, resolve / dispose off complaints and grievances in each of its offices. Such mechanism ensures that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level.
- (b) The Grievance Redressal Mechanism contains the procedure for handling customer complaints fairly and quickly.
- (c) The Company will clearly display at all its offices / branches and on the website, the contact details of the NHB office that can be approached in case the complainant does not receive response from the Company within reasonable time or is dissatisfied with the response received.

- (d) The Company shall endeavor to address/ respond to all complaints and grievances within a reasonable time and keep the customers informed about the status of their complaints.
- (e) A Board designated Committee will be provided with periodical review of the compliance of the Fair Practices Code and the functioning of the grievances redressal mechanism at various levels of management.
- (f) Company's Grievance Redressal Mechanism may be downloaded or referred from www.arthfc.com.

GENERAL

- a) The Company will verify the details mentioned by the customer in the loan application by contacting him / her at his / her residence and / or on business telephone numbers and / or physically visiting his / her residence and / or business addresses through agencies appointed for this purpose, if deemed necessary by the Company.
- b) The customer shall be informed to co-operate if the Company needs to investigate a transaction on the customer's account and with the police / other investigative agencies, if the Company needs to involve them.
- c) The Company shall advise the customer that if he / she acts fraudulently, he / she would be responsible for all losses on his / her account and that if the customer acts without reasonable care and this causes losses, the customer may be responsible for the same.
- d) The Company will display at its branches/ offices various key aspects relating to the Company's products and services in Hindi, English or the appropriate local language.
- e) The Company will not discriminate on grounds of sex, caste and religion in the matter of lending. Further, the Company will 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 the Company from instituting or participating in schemes framed for different sections of the society.
- f) The Company will process requests for transfer of a loan account, either from the borrower or from a bank / financial institution, in the normal course. Such transfer will be as per contractual terms entered into with the borrower and in consonance with statutes, rules, regulations and guidelines as may be applicable from time to time.
- g) To publicize the code, the Company shall:-
 - Provide existing and new customers with a copy of the code;
 - Make the code available upon request either over the counter or by electronic communication or mail;
 - Make available the Code at every office; and on its website; and
 - train staff to provide information about the code and to put the code

into practice.

11) PERIODIC REVIEW

The Board of Directors of the Company shall periodically review compliance with the Code and the functioning of the Grievances Redressal Mechanism. A consolidated report of such reviews shall be submitted to the Board annually.

12) IMPLEMENTATION

This Mechanism shall come in force with immediate effect after approval of the Board.

.....

ART Housing Finance (India) Limited
Most Important Terms and Conditions (MITC)

Name Of Borrower(s)	
Name Of Co-Borrower(s)	
Name Of Guarantor(s)	
Address	
Deal Account Number	
Application Number	

*Collectively referred as Borrower

Major Terms and Conditions of the loan agreed to between Borrower(s)/ Co-Borrower(s) (hereinafter individually and/or collectively referred as 'the Borrower') and ART Housing Finance (India) Limited (hereinafter referred as 'the Lender' or 'Company') are as under:

1. Loan: The loan amount, rate of interest, tenure etc. are based on various factors such as eligibility, repayment capacity, various risks, track record, cost and market value of the property etc. and hence shall vary for each individual loan and is based on internal policies of the Company. The sanction and disbursement of the Loan is at the sole discretion of the Company.

Loan Details (1.0)	
Sanctioned loan amount	Rs. _____ (_____ ONLY)
Product Category	
Product Description	
Purpose of loan	
End Use of loan	
Rate of Interest (ROI) [(Prime Lending Rate (PLR) applied with spread)] - FLOATING / FIXED (as applicable)	_____% _____ Rate per annum; ROI is linked to PLR. Current PLR of the Company is _____% and your current spread is _____%, thus the effective ROI is _____%
Tenure	____ Months (Subject to change due to change in PLR from time to time as applicable with spread.)

1. Fee and Other Charges: The following charges are applicable as on date and are subject to change from time to time as updated on the website (www.arthfc.com). The charges applicable will be based on the prevailing charges at the time of the transaction; Applicable taxes will be extra.

Fee and Other Charges		
1.	Processing Fee	Processing fee, as per the sanction/approval letter, is applicable basis policy of the Company and is subject to changes from time to time. (The Processing Fee is non- refundable until the loan is sanctioned by the Company. However, if the loan is not sanctioned, partial fee may be refunded at the applicant's request after deducting all expenses incurred by the Company towards various verification (s), due diligence activities and applicable taxes. In the event of loan application being cancelled by the Borrower, for any reason, whatsoever prior to it being sanctioned then no processing fees shall be refunded)
2.	Legal Charges	<p>(i) Legal search charges of Rs. 3500 + Applicable Taxes are payable before disbursement. Not applicable on Approved Projects and Top-Up cases.</p> <p>(ii) Charges for Notice of Intimation of Mortgage, for Maharashtra, of Rs. 2500 + Applicable taxes to be collected before disbursement and Notice of Intimation of Mortgage to be registered, within 30 days from the date of mortgage creation, with concerned Sub Registrar Office by the borrower / borrower(s). Not applicable on Top- Up Loans</p>
3.	Document Charges	Rs.500/- + Applicable taxes
4.	Property Valuation Charges	<p>(i) Property valuation charges of Rs. 1500 + Applicable Taxes are payable before disbursement in case of property being outside geographical limits as defined by the Lender.</p> <p>(ii) Subsequent Property valuation, if required, charges of Rs. 1500 + Applicable Taxes are payable before disbursement in case of property being within geographical limits defined by lender.</p> <p>(iii) Subsequent Property valuation, if required, charges of Rs. 2000 + Applicable Taxes are payable before disbursement in case of property being outside geographical limits as defined by the Lender.</p>
5.	CERSAI Filing Charges	<p>(i) Rs.50/- + Applicable taxes for Loans up-to Rs. 5.00 lakhs (original filling and for modification).</p> <p>(ii) Rs.100/- + Applicable taxes for Loans above Rs. 5.00 lakhs (original filling and for modification).</p>
6.	Other Verification Charges	Any other verification charge as enumerated in the loan sanction / approval letter
7.	Prepayment charges	As per prevailing guidelines of the Regulator i.e. National Housing Bank.
8.	Late Payment Charges	2% per month on the defaulted amount
9.	EMI/ Pre-EMI Bouncing charges	Rs.600/- + Applicable taxes

10.	Cheque / Account Replacement Charges	Rs.500/- + Applicable taxes	
11.	Demand Draft/ Pay Order	Rs.150 per lakh or actual bank charges, whichever is higher	
12.	Conversion charges	As applicable, please contact local office	
13.	Recovery charges (Legal/ Repossession & Incidental)	As per actual	
14.	Non-encumbrance certificate	As per actual expense	
15.	Document Retrieval charges	Rs.2500/- + Applicable taxes	
16.	Foreclosure statement charges	Rs.500/- + Applicable taxes	
17.	Duplicate Statement/Certificate	Rs.500/- + Applicable taxes	
18.	Duplicate No Dues certificate issuance charges	Rs.500/- + Applicable taxes	
19.	Custodian Fee for keeping property documents in closed loans beyond 1 month of closure	Rs.1000/- per month + Applicable taxes	
20.	Visit Charges for dues collection	Rs.500/- + Applicable taxes	
21.	Loan Cancellation Charges	Rs. 10,000/- or 2% of Sanction Amount whichever is higher + Applicable taxes	
22.	Statements of Accounts (SOA)	Rs.500/- + Applicable taxes	
23.	Repayment Schedule	Rs.500/- + Applicable taxes	
24.	Property Swapping charges (Restriction of swapping up to 2 times only)	1% of Current POS Value	
25.	Non-Submission of PDC/NACH Form after PDC exhaust	Rs.1000/- + Applicable taxes	
26.	Penal Charges <u>Penal Charges</u> Mean any charges which will be levied on breach of terms or conditions of loan agreement.	Instance	Rate of Penal Charge
		On account of not completing the construction within 24 months of first disbursement	<=2% of principal outstanding + applicable taxes
		On account of non-submission of post disbursal document	<=2% of principal outstanding + applicable taxes
		On account of non-adherence of any of the condition as mentioned in the	<=2% of principal outstanding +

		sanction letter	applicable taxes
		Any breach of terms or conditions of loan agreement, sanction letter and any other documents.	$\leq 2\%$ of principal outstanding + applicable taxes

3. Security for the Loan: Security of the loan would be the first equitable/ registered mortgage of the Property that is being financed and/ or any other collateral security. Collateral or interim security could be Fixed Deposits and/or Life Insurance policies and/ or guarantee from sound & solvent individuals and/ or pledge of shares and/ or any other such investment that may be acceptable to the Lender.

Security for the Loan	
Address of Property to be mortgaged	
Name of Guarantor(s)	
Other security/ies (if any)	

4. Insurance:

(a). Insurance of the Property:

The Borrower(s) is/are required to insure the property against all risks including fire, earthquake, and flood etc and make the Lender the sole beneficiary under the policy. The Borrower(s) has/have to pay the premium in time and keep the policy alive at all times during the period of the loan and produce evidence thereof to the lender.

(b) Insurance of Borrower(s):

The Borrower(s) may avail life and / or health insurance cover for himself with the lender as the sole beneficiary under the policy /policies. In the event of failure the lender may but shall not bound to, insure the property at the borrower's cost and the lender is authorized to add the same in charges payable by the borrower(s).

Note: Lender may act only as a facilitator for insurance and shall have no liability for any claim under the policies.

5. Conditions for disbursement of the Loan/ Installment of the Loan: The disbursement of the Loan is subject to legal & technical verification of the property and after the Borrower(s) has complied with the requirement of creation of security interest in such manner as required by the Lender and after the Borrower(s) has paid/ invested his own contribution (margin money) in full. For under construction property/ Extension/ Repair/ Renovation, the sanctioned amount will be released in stages depending upon the progress in construction and after ensuring investment of margin money/ construction as per approved plan and estimates.

Condition for Disbursement	
Creation of security (Security has to be created of the property to be financed)	<p>The principal sum of the loan, interest and other charges and all other dues shall be secured by creation of the Security Interest as may be considered appropriate by the Lender having the right to decide the place, timing and type of the security including the manner and form of its creation and/or additional security it may require and the Borrower(s) shall create the security accordingly for payment of all the dues of the Borrower.</p> <p>The Security Documents evidencing the Security Interest may be in such manner and form as the Lender may require.</p> <p>All Security Documents to be provided to the Lender in connection with the Loan amounts and shall remain a continuing security and binding upon the Borrower(s) and shall be in addition to any other security which the Lender may at any time hold in respect of the Borrower's due and shall remain available to the Lender until and unless all the accounts between the Borrower(s) and the Lender in respect of the loan are settled.</p>
Submission of approved plans	Approved sanction plan of the property provided as security has to be submitted by the Borrower(s).
Stages of construction as on date	Ready Built/ Under construction/ Construction to be commenced/ plot.
Statutory approvals and other required consent/ permissions	<p>The Borrower(s) shall submit to the Lender all evidence to support that all statutory approvals, consents, permissions, etc that are required for the property for availing the loan and for creation security interest, have been obtained, as below.</p> <ul style="list-style-type: none"> (i) Security documents (ii) Guarantee(s), if applicable (iii) Documents confirming subsistence of contract of sale of the Property in favour of <p>the Borrower(s) and that security interest can be created in favour of the Lender in the form and manner as suggested by the Lender.</p> <p>If any Security Interest furnished by the Borrower(s) is found to be invalid or unenforceable or if the value of any Asset is incorrect or not proper, then the Borrower(s) shall be directed to furnish additional Security Interest as may be required by the Lender. Notwithstanding above, in the event any Asset is subsequently found to be of inferior value to that as declared by the Borrower(s) in the loan application, the loan may be recalled/ repayment of the loan may be accelerated by the Lender with immediate effect.</p>
Other conditions for disbursement	<p>The Lender shall not disburse the loan to the Borrower(s) unless the conditions mentioned in the Loan sanction letter and Article 4 of Loan Agreement are complied with, to the satisfaction and sole discretion of the Lender, examples are given below:</p> <ul style="list-style-type: none"> (i) The Borrower(s) must fulfill the Lender's requirement of

	<p>creditworthiness.</p> <p>(ii) Execution of loan agreement and other required documents.</p> <p>(iii) Submission of postdated cheques/ECS etc. towards repayment of installments.</p> <p>(iv) Creation of security in favour of the Lender.</p> <p>(v) Insurance cover, as applicable, to be provided.</p> <p>(vi) Utilization of disbursement should be towards acquisition/construction of property or as per the end use specified in sanction letter/via end use letter.</p> <p>(vii) No event of default shall have happened on the Loan. The Events of Defaults are mentioned in Article 7 of the Home Loan agreement.</p> <p>(viii) No circumstances shall have occurred, which in the opinion of the Lender, may make it improbable/ impossible for the Borrower(s) to fulfill the obligations of Home Loan Agreement and other standard documents executed by the Borrower(s) for availing the loan.</p>
--	---

6. Repayment of the Loan and Interest: The Loan is repaid by way of Equated Monthly Installments (EMI), which comprises of both principal and interest component. Repayment commences from the month following the month in which final disbursement of the loan is availed. Pending Final disbursement, simple interest is applicable on the loan disbursed. This interest on the amount disbursed is called Pre-EMI. Pre-EMI interest is payable every from date of each disbursement up to date of commencement of EMI.

Repayment of Loan & Interest	
EMI amount	Rs. _____ (_____ ONLY) (subject to change due to change in PLR and consequential change in rate of interest mentioned above.)
Total number of installments	_____ (subject to change due to change in PLR and consequential change in rate of interest mentioned above.)
Repayment Periodicity	Monthly
Installment due dates	7th of every month from the month in which EMI is commenced.
Interest rate reset	<p>Any change in rate of interest are updated on Company's website www.arthfc.com, also change in rate of interest/ EMI/ PEMI shall be informed to the Borrower(s) by way of email/ SMS/ letter etc. at the contact address available with the Lender and last updated by the Borrower(s).</p> <p>If the Interest rate increases, the interest component will increase and principal amount will decrease, resulting in increase in loan tenure and vice versa when Interest rate decreased. In such cases, EMI will be kept unchanged. However, if the EMI is not sufficient to service</p>

	Interest payment, Company has a right to increase the EMI in such cases.
--	--

7. Prepayment Charges

7(a) For all Variable Rate Home Loan

No prepayment charges shall be payable on home loan with variable rate of interest on account of part or full prepayments made through any source.

7(b) For all Variable Rate Non-Home Loan

1. No prepayment charges shall be payable on term loans with variable rate of interest sanctioned for purposes other than business to individual borrowers with or without co-borrower(s) on account of part or full prepayments.

2. Prepayment charges shall be payable at the following rates on term loans with variable rate of interest sanctioned for business purposes (business loans) on account of part or full prepayments: -

- a. If paid within 12 months - 3%
- b. if paid after 12 months - 2% 7 (c)

7(c) For all Fixed Rate Home Loan

1. No prepayment charges shall be payable on home loan with fixed rate of interest on account of part or full prepayments made through own sources.

The expression own sources for this purpose means any source other than borrowing from a Bank/HFC/NBFC or Financial Institution.

2. Prepayment charges shall be payable on home loan with fixed rate of interest at the following rates on account of part or full prepayments by borrowing from or transfer of balance to a bank/HFC/NBFC and /or a financial institution: -

- a. If paid within 12 months - 3%
- b. If paid after 12 months -2%

7(d) For all Fixed Rate Non-Home Loan

1. Prepayment charges shall be payable on business loans with fixed rate of interest at the following rates on account of part or full prepayments: -

- a. If paid within 12 months - 5%
- b. If paid after 12 months - 4%

BUSINESS LOANS: The following loans shall be classified as business loans.

1. LRD loans
2. Loans against property / Home Equity Loan / Top up loans for Business Purpose i.e. Working Capital, Debt Consolidation, Repayment of Business Loan, Expansion of business, Acquisition of Business asset or any similar end usage of funds.
3. Non-Residential Properties.

The Borrower will be required to submit such documents that ART Housing Finance (India)

Ltd may deem fit & proper to ascertain the source of funds at the time of prepayment of the loan.

The above prepayment charges are subject to regulatory directions and in the event of any inconsistency between the two, the directions issued by the regulator will be followed.

The prepayment charges are also subject to change as per prevailing policies of ART Housing Finance (India) Ltd and accordingly may vary from time to time. Borrowers are requested to refer to www.arthfc.com for the latest charges applicable on prepayments.

8. In case of non-payment of EMI on due dates loan account shall be classified in the category of Special Mention Account (SMA) followed by the classification of Non-Performing Account (NPA) if remain unpaid for consistent overdue for more than 90 days as per the table below:

Categories	Period for Classification
SMA-0	0-30 days
SMA-1	31-60 days
SMA-2	61-90 days
NPA	90+ days

Also, once account gets classified as NPA (Non-Performing Account) remains in NPA (Non-Performing Account) until complete payment of all overdue EMI/PEMI gets paid in full. Which means to make an account "Standard" from "NPA" all unpaid overdue EMI/PEMI has to be paid in full and partial repayments will have no impact on the change of loan classification.

For example:

If due date of your availed loan account is November 07, and full/complete accrued dues are not received before the lending institution runs the day-end process for this date, the date of overdue shall be November 07 and loan will be classified as SMA-0.

If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on December 07 i.e., upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be December 07 and

Similarly, if your account continues to remain overdue for another 30 days, it shall get tagged as SMA-2 upon running day- end process on January 06 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on February 05.

9. Brief procedure for Recovery of overdue: In the event of default in terms of the Loan Agreement (i.e. if the due amount for the loan account of the Borrower(s) is not paid by the due date or in case of breach of any clause of the agreement), the Borrower(s) would be informed from time to time for payment of his dues outstanding on his loan account, by post/ fax/ telephone/ e-mail/ SMS messaging and/or through third parties appointed for collection purposes to remind, follow-up and collect dues, if the need so arises follow up with a notice to such effect and/ or restructuring/ re-phasing of the loan wherever possible as per regulatory guidelines and/ or enforcement of Securities as per the provisions of SARFAESI Act and/ or recovery through legal methods.

The collection methodology includes the following:

- a. **Tele-Calling:** It involves contacting the Borrower(s) over the phone and reminding about the overdue and requesting to pay the arrears at the earliest.
- b. **Field Visit and Collection:** It involves meeting the Borrower(s) and collecting the payment of the amount due. The activity shall be carried out through employees of the Lender or by its authorized representatives.
- c. **Legal action** shall be taken based on circumstances of each delinquent account, as per the policy of the Lender and pursuant to the provision of applicable laws.

Hence, the Lender shall use a judicious mix of tele-calling, field visit, written communication and legal action to ensure proper and effective collection and recovery of overdue for the different category of delinquent account.

10. **Customer Services:** You may contact us by visiting our offices listed on our website (www.arthfc.com) or call us or write to us at under mentioned details:

Customer Services	
Visiting hours	10 AM - 4 PM; Monday -Friday.
Contact person	Customer Service Representative
Contact number	Helpline Number - 0124-5060981
E-mail ID	contact@arthfc.com
Timeline for:	
Loan account statement	7 working days
Photocopy of title documents	15 working days
Return of original documents on closure/Transfer of loan	30 working days from its Branch office

Note: In the event of death of the Borrower/ Property owner(s) – At the time of closure of loan, the property documents may be collected from its Branch office on submission of legal heir certificate and other relevant documents as may be required by AHF.

11. **Grievance Redressal:** In the unlikely event that you are not satisfied with our services, you can register your grievance for redressal of concern

Grievance Redressal	
First Level	
E-mail ID to lodge the complaint	contact@arthfc.com
Contact Number to lodge the complaint	Helpline Number - 0124-5060981
Resolution time	15 working days
Second Level	
Grievance Redressal Officer	Head - Operations & Customer Service ART Housing Finance (India) Limited 49,

	Udyog Vihar, Phase-4, Gurugram, Haryana-22015 Ph- 0124- 6622228 Email id- gro@arthfc.com
Contact Number to lodge the complaint	Helpline Number - 0124-5060981
Resolution time	21 working days

In case the complainant is dissatisfied with the response received/ or where no response is received within reasonable time / specified time, the Complainant may approach Complaint Redressal Cell of National Housing Bank (NHB) by:

- a) Lodging a complaint on the online grievance handling portal of NHB - GRIDS
<https://grids.nhbonline.org.in>
- b) Sending the complaint to NHB by post. The Complaint Form can be downloaded from the website of the Company at https://arthfc.com/Complaint_form.pdf

You may fill and send the form along with letters or enclosures, if any, by post or courier to the following address:

Complaint Redressal Cell,
Department of Regulation & Supervision,
National Housing Bank,
4th Floor, Core-5A, India Habitat Centre,
Lodhi Road, New Delhi-110003 or
E-mail at crcell@nhb.org.in

Disclosure: The Company is authorized to disclose from time to time any information relating to the loan to any Credit Bureau (existing or future) approved by Govt of India or any authority as may require from time to time without any notice to the customer.

It is hereby agreed that for detailed terms and conditions of the loan, the parties hereto shall refer to and rely upon loan agreement and other security documents executed/ to be executed by them. The details contained in this document may be subject to change as per company policy and in line with the terms contained in the Loan Agreement.

The above terms and conditions have been read by the borrower(s) and read for the Borrower(s) by the Company official / representative in Borrower(s) vernacular language and have been understood by the Borrower(s).

Co-Borrower(s)/Guarantor(s)

Borrower

AUTHORISED SIGNATORY

Signature or thumb impression of the Borrower(s)/Guarantor(s)

Note: 1. A duplicate copy of the MITC should be handed over to the borrower(s).

2. Acceptance of MITC to be obtained from the Borrower(s) for processing disbursement.