
WEST BENGAL GRAMIN BANK

FAIR PRACTICES CODE FOR LENDING

1. INTRODUCTION

This document is the Bank's Fair Practices Code for Lending, which is a voluntary code for dealing with customers in the course of the Bank's lending business. For the purpose of this Code, the term 'credit' will include all funded and non-funded credit facilities. RBI's guidelines / directives that may be issued from time-to-time will override the Code where applicable.

2. SHORT TITLE AND COMMENCEMENT

1. This Code is called West Bengal Gramin Bank Fair Practices Code for Lending.
2. This Code is made pursuant to the Directives of Reserve Bank of India, vide Circular No: DBOD.Leg.No.BC.204/09.07.007/2002-03 dated May 5, 2003 along with incorporation, modification as directed by RBI from time to time.
3. This Code is applicable to all members of staff of West Bengal Gramin Bank
4. The Board of Directors of the Bank may modify the Code from time to time.

3. APPLICATIONS FOR LOAN AND ITS PROCESSING

1. Application for loan in the loan application form shall be comprehensive to include information about rate of interest (fixed/floating) and manner of charging (monthly/quarterly/half yearly/yearly), process fees and other charges, penal interest rates, pre-payment option and any other matter which materially affects of the interest of the borrower and same shall be available in the Bank's website/ Key Fact Statement Provided. A copy of the filled application form duly signed by the borrower would also be retained by the borrower for his future reference and would also act as an acknowledgement for the applicant for having submitted the application form. It is expected that credit application from borrower will be completed in all aspects and be accompanied by all supporting documents specified by the Bank.
2. Loan application form would also state the amount of processing fees paid or to be paid and the extent to which such fees shall be refunded after deducting necessary charges in the event of rejection of any application for loan.
3. In case of rejection of any loan application, the Bank will convey the main reason for the rejection within a reasonable time period.

4. LOAN APPRAISAL AND TERMS AND CONDITIONS

1. The Bank will undertake an appropriate level of due-diligence on the credit worthiness of the borrower and assessment of the need-based credit/extension of credit facilities will be in accordance with the risk-appetite of the Bank. The Bank will not be guided solely by margin and security when deciding on lending and the credit limit/Loan which may be sanctioned would be communicated to the borrower.
 2. All the terms and condition and other caveats will be duly communicated by an authorized official of the Bank to the customer in writing.
 3. The acceptance of the customer will be obtained on the sanction letter with the customer's signature under the caption - "I/We accept all the terms and conditions as stipulated by you for granting the said credit facilities, which have been read and understood by me/us".
 4. A Copy of the loan agreement along with all the enclosures/disclosures mentioned in the loan agreement will be made available to the customer at the time of issue of the sanction letter.
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5. The Bank will permit continued utilization of the credit facilities, on the terms agreed. However, it would be solely at the discretion of the Bank, at each instance, whether or not permit utilization:
 - i. Beyond the sanction limit; or
 - ii. For the purposes other than specifically agreed to in the credit sanction; or
 - iii. In a credit classified as a non-performing asset; or
 - iv. When terms and condition are not complied with.
 6. Bank is not obligated to meet further financial requirements of the borrower. Fresh credit facility or credit enhancements or renewal of existing credit limits will be at the discretion of the Bank and will be subject to review of the existing credit facilities and the borrower's credit worthiness/business.

5. DISBURSEMENT OF THE LOANS INCLUDING CHANGES IN THE TERMS AND CONDITIONS:

1. The Bank will ensure timely disbursement of the credits sanctioned, on execution/ submission of all documents, creation of security and compliance of all sanction conditions precedent to the disbursement of the credit, to the satisfaction of the Bank. However, in the event that the Bank comes across any new information on the borrower impacting the lending, the Bank may review the sanction. (The expected timelines would be mentioned in the Loan Application Form).
2. The Bank will give Suitable notice in advance of any change in the terms and conditions of the lending, including revision in services charges etc, except revision in rate of interest which would be governed by terms of the loan agreement, as would be applicable from time to time.

6. POST DISBURSEMENT SUPERVISION

1. The Bank will give a reasonable notice period to borrowers before taking a decision to recall/accelerate repayment of a credit or demanding performance under credit agreements or seeking additional securities/higher margins/higher pricing/reduction in dues/etc. This, however, will not be applicable in cases where trigger events are already specified in the credit documents, on the happening of which the Bank may, at its discretion, recall/accelerate repayment of the credit or demand performance under the agreements or seek additional securities/higher margins/higher pricing/reduction of dues etc.
2. The Bank will release all securities on full repayment/realization of a credit to the satisfaction of the Bank, subject to a legitimate right or lien for any other claim the Bank may have against the borrower. Where such right of set off is exercised, the borrower will be given a notice about the same with full particulars of the remaining claims and the documents under which the Bank is entitled to retain the securities till the stated claims are settled/ paid.

7. GENERAL PRACTICES CODE WHILE LENDING

1. In the matter of lending, the Bank will not discriminate on grounds of gender, caste and religion. However, this does not preclude the Bank from participating in credit linked schemes framed for weaker section of the society.
 2. Bank would restrain from interfering in the affairs of the borrowers except to the extent provided in the terms and condition of the loan sanction documents, unless new information, not earlier disclosed by the borrower, has come to the notice to the Bank. In such event, the Bank will have the right to elicit necessary information from the borrower and initiate action to safeguard the Bank's interest.
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3. In the matter of recovery of the loans, the Bank will not resort to 'Coercive Methods of Recovery' as directed by RBI. The Bank will adopt fair methods for the same.
4. In case of receipt of request for transfer of borrower account, either from the borrower or from another Bank/Financial Institution, which proposes to take over the loan, the Bank's consent, or objection, if any, shall be conveyed to borrower within 21 days from date of receipt of the request.

8. INTEREST RATES

Interest Rates for different loan products would be made available through and in anyone or all of the following media, namely: (a) In the Bank's Web site (b) Over phone, if Tele Banking services are provided (c) Through prominent display in the branches (d) Through other media from time to time. Customers would be entitled to receive periodic updates on the interest rates applicable to their accounts. On demand, Customers can have full details of method of application of interest.

9. CHARGING OF INTEREST

(a) Bank will charge interest from the date of actual disbursement of the funds to the customer and not from the date of sanction of loan or date of execution of loan agreement. **(b)** In the case of disbursal or repayment of loans during the course of the month, the Bank will charge interest only for the period for which the loan was outstanding and not for the entire month. **(c)** In case of collecting one or more instalments in advance, Bank will not reckon the full loan amount for charging interest.

10. REVISION IN INTEREST RATES

The Bank would notify immediately or as soon as possible any revision in the existing interest rates and make them available to the customers in the media listed in Para 8. Interest Rate revisions to the existing customers would be intimated within 7 working days from the date of change through notifications in the Bank's Website/ media/ notice board at branches.

11. PENAL CHARGE

The Bank would notify clearly about the Penal Charge for non-compliance of material terms and conditions of loan contract by the borrower to the prospective customers.

12. CHARGES

(a) The Bank would notify details of all charges payable by the customers in relation to their loan account. **(b)** The Bank would make available for the benefit of prospective customers all the details relating to charges generally in respect of their retail products in the media specified in Para 8. **(c)** Any revision in charges would be notified in advance and would also be made available in the media as listed in Para 8.

13. ACCOUNTING PRACTICES:

(a) The Bank would provide regular statement of accounts, unless not found necessary by the customers. **(b)** The Bank would notify relevant due dates for application of agreed interest, penal charge, and other charges if they are not mentioned in the Loan applications, documents, or correspondence. **(c)** The Bank would notify in advance any change in accounting practices which would affect the customer before implementation.

14. RELEASE OF SECURITY DOCUMENTS

In compliance with the directives of RBI on Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans# **(a)** It is mandated to release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account. **(b)** The borrower shall be given the option of collecting the original movable / immovable property documents either from the banking outlet / branch where the loan account was serviced or any other office of the Bank where the documents are available, as per her / his preference. The timeline and place of return of original movable / immovable property documents will be mentioned in the loan sanction letters **(c)** In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry

beyond 30 days after full repayment/ settlement of loan, Branch Office shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Branch, it shall compensate the borrower at the rate of Rs. 5,000/ for each day of delay.

#Personal Loans: *Loans given to individuals and consist of (a) consumer credit, (b) education loan, (c) loans given for creation/ enhancement of immovable assets (e.g., housing, etc.), and (d) loans given for investment in financial assets (shares, debentures, etc.).*

15. INFORMATION SECRECY

(a) All personal information of the customer would be confidential and would not be disclosed to any third party unless agreed to by customer. The term 'Third party' excludes all Law enforcement agencies, Credit Information Bureau, Reserve Bank of India, other banks/ financial and lending institutions. (b) Subject to above Para, customer information would be revealed only under the following circumstances. (i) If the Bank is compelled by law (ii) If it is in the Public Interest to reveal the information (iii) If the interest of the Bank require disclosure.

16. GRIEVANCE REDRESSAL

The Bank, has in place, a Board approved Grievance Redressal Policy, which is based on the principle that the customers must be treated fairly at all times. The detailed Grievance Redressal procedure to be followed in case of Banking complaints, as well as the name and contact details of the Bank's Grievance Redressal Officers, is given under Customer Corner page of the Bank's website www.wbgb.in.
