

## **YES BANK's LENDER FAIR PRACTICE CODE:**

### **Applications for Loans and their Processing**

- The bank would have loan application forms in respect of **all the loans (irrespective of quantum of loan)**. These would include information about the fees/charges, if any, payable for processing, the amount of such fees refundable in the case of non-acceptance of application, pre-payment options and any other matter which affects the interest of the borrower, so that a meaningful comparison with that of other banks can be made and informed decision can be taken by the borrower.
- Receipt of completed application forms will be duly acknowledged.
- The bank would verify the loan applications within a reasonable period of time. If additional details/documents are required, it would intimate immediately.
- **The bank would convey in writing, rejection of all the loan applications (including credit card application) within reasonable time frame.**

### **Loan Appraisal and terms/conditions**

- In accordance with the Bank's prescribed risk based assessment procedures, the bank would ensure that there is proper assessment of credit application made by borrowers.
- The sanction of the credit limit along with the terms and conditions thereof is to be conveyed to the borrower and the bank shall keep the borrower's acceptance of these terms and conditions given with his full knowledge on record.
- The terms and conditions and other caveats governing credit facilities given by the bank would be produced in writing and duly certified by the authorised official. Further, a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement may be furnished to the borrower, if asked for.
- To the extent possible, the loan agreement would stipulate if the credit facilities are solely at the discretion of the bank. The bank may disallow facilities that involve drawings beyond the sanctioned limits, honouring cheques issued for the purpose other than specifically agreed to in the credit sanction, and drawing on a borrowal account on its classification as a non-performing asset or on account of non-compliance with the terms of sanction. Further the bank does not have any obligation to meet additional requirements of the borrowers on account of growth in business etc. without proper review of credit limits.
- In the case of lending under consortium arrangement, the bank would endeavour to evolve procedures to complete appraisal of proposals in a time bound manner to the extent feasible, and communicate its decisions on financing or otherwise within a reasonable time, in co-ordination with other member of the consortium.

### **Disbursement of Loans including changes in terms and conditions**

- Sanctioned loans will be disbursed in a timely manner and in conformity with the terms and conditions governing such sanction. Bank will give notice of any change in the terms and conditions including interest rates, service charges etc. The Bank will also ensure that changes in interest rates and charges are effected only prospectively.

## Post Disbursement Supervision

- Post disbursement supervision, would be constructive, taking into account any genuine difficulties that the borrower may face and in accordance with normal banking practice.
- Before taking a decision to recall/ accelerate payment or performance under the agreement or seeking additional securities, the bank would give notice to borrowers as specified in the loan agreement or a reasonable period, if no such condition exists in the loan agreement.
- All securities pertaining to the loan would be released on receipt of full and final payment of the loan, subject to any legitimate right or lien for any other claim that it may have against borrowers. If such right of set off is to be exercised, borrowers shall be given notice about the same with full particulars about the remaining claims and the provisions under which the bank is entitled to retain the securities till the relevant claim is settled/ paid.

## General

- The bank will refrain from interfering in the day-to-day affairs of the borrowers except for what is provided in the terms and conditions of the loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the bank). However this will not dilute Bank's rights under the loan documents.
- The bank would not discriminate on grounds of sex, caste and religion in the matter of lending.
- In the matter of recovery of loans, the bank would not resort to undue harassment or use of force.
- In case of receipt of request for transfer of borrowal account, either from the borrower or from a bank/ financial institution, which proposes to take -over the account, the consent or otherwise i.e. objection of the bank, if any, would be conveyed within 21 days from the date of receipt of request.

## Grievance Redressal Mechanism

- Disputes/concerns/complaints arising at the Branch level will be addressed by the Customer Service Manager and Branch Manager of the concerned Branch. Recurring problems or issues will be discussed at the Branch Service Committee Meeting and Branch specific preventive/corrective actions will be taken.
- Disputes/concerns/complaints being escalated to the Head Office will be addressed to the *Service Delivery* team. Complaints/concerns of a recurring nature / pattern received across Branches & centrally will be discussed at the *Standing Committee of Service*, Chaired by the Executive Director of the Bank. Any Bank specific corrective or preventive actions will be determined after thorough analyses and consultation with the relevant Product & Sales team.
- A review of compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism would be conducted by the bank once a year.