Most Important Terms and Conditions (MITC)

(For Housing / Non-Housing Loan)

Major Terms and Conditions of the loan agreed to between …… (The borrower) and Can Fin Homes Ltd (CFHL) are as under:

1. Loan

i. Loan Amount : ₹_____(Rupees_____)

ii. Purpose of Loan :_____(Product Code_____)

iii. a. Rate of Interest :_____% (floating or fixed for_____years)
b. Date of Reset in Case of fixed rate :

iv. Tenure of the loan :_____months/years

v. Moratorium/ Repayment holiday :

vi. Mode of communication of changes in ROI: SMS/ Notice Board/ website

2. Fee and Other Charges

i. Processing Charges: ₹_____+applicable GST

ii. Revalidation Charges: ₹500/- if the borrower comes forward to revalidate the sanction after the due date of 30 days (and within 60 days)

iii. Project Appraisal Report/ Techno Economic Evaluation report charges from ₹25000 +GST to ₹50000+GST for projects *of* over₹1 Crore

iv. Documentation Charges: (Actual charges fixed by the branch as per state stamp duty Act) + Charges towards encumbrance certificate / search report from SRO, affidavit charges and other miscellaneous charges.

v. Recovery charges for Sale of Property in the case of NPA's: upto ₹20 lac- 3%, above ₹20 lac upto ₹50 lac- 2.5% and above ₹50 lac- 2% of the realized sale amount, depending upon the value of the property and loan outstanding.

vi. Prepayment Charges: Nil

vii. Pre-Closure Charges: Nil as per the NHB guidelines, the company at its discretion will charge the pre-closure charges at 2% plus applicable GST on outstanding liability where the loan accounts are on fixed interest rate during the loan tenure, in case the loans are taken over by other banks / financial institutions. However, no pre-closure charges will be collected if the borrowers close the loans out of their own funds.

viii. Conversion Charges/ Interest adjustment charges: Whenever downward revision is effected in the rate of interest (card rates) for loans, same is applicable for new loans to be granted prospectively.

In respect of old loans sanctioned before 01/04/17 which are not under quarterly rate of interest reset mode, borrowers who are willing to avail the benefit of any reduction in ROI shall avail the same by getting fresh risk rating done by the branches as per norms and signing the link letter for switch over to quarterly rate of interest resetting mode.

In respect of loan accounts which are under annual reset scheme as on 31/12/2023, if the borrower wants to avail the benefit of any reduction in ROI before the anniversary period, shall avail the same by getting risk rating done as per the norms, and signing the link letter for switch over to quarterly rate of interest resetting mode.

In respect of loan accounts which are under quarterly rate of interest resetting scheme, if the borrower wants to avail the benefit of any reduction in ROI before the quarterly rate of interest resetting period, IAC of 0.50% of the outstanding liability plus GST shall be applicable before the quarterly rate of interest resetting period.

During reset of ROI, borrowers have an option to switch over from floating to fixed and fixed to floating, upto two times during entire loan tenor with cooling period of 2 years with switch over charges of 0.50% of the loan outstanding plus applicable GST.

Branch Manager/ RO shall permit such conversions subject to rules of the Company advised from time to time.

ix. Cheque/ PDC dishonor Charges: ₹750/- +GST per cheque per occasion

x. Cancellation of DDs: Branches to collect ₹250/- per instrument +GST

xi. Issuance of duplicate DD/Stop payment: Branches to collect ₹500/- per instrument + GST

xii. Revalidation of instruments upto ₹10 Lakh: Branches to collect ₹1000/- per instrument + GST

xiii. Revalidation of instruments above ₹10 Lakh: Branches to collect ₹2000/- per instrument +GST

xiv. ECS / NACH Return charges ₹750/- +GST per return

xv. National E-governance Service Ltd (Nesl) upload charges: Rs. 25/- + GST for 1st five years of loan tenure, there after Rs. 10/- + GST for every year till the loan closure.

xvi. Document Retrieval Charges: Actual courier charges + ₹300/ per withdrawal +GST.

xvii. Property inspection charges: ₹300 + GST per inspection for 2nd inspection onwards carried out before each release in construction cases and annual inspection of prime and collateral security every year till the closure of loan.

xviii. Recovery visit charges: ₹500 +GST per visit, in the case of SMA-2/NPA accounts.

xix. Safe Custody charges: It is the responsibility of the customer to take delivery of all the title deeds after closure of all loans to the satisfaction of the Company. In case the documents are not taken by the customer, the Company will charge ₹200/- pm + GST from the date of closure till the date of actual delivery of documents back to customers, if the customer does not come forward to collect the documents after loan closure, within 2 months from the date of closure. Generally, all the data/ documents pertaining to any account of the customer will be purged after 8 years from the closure of the loan and the Company will not entertain any request for providing any information/ data of such accounts after 8 years.

xx. **Penal Charges: Penal charges at 2% p.a. over and above the prevailing ROI in the loan account plus applicable GST will be levied for delayed installments without capitalization of penal charges.**

Installments without capitalization of penal charges.

In respect of outright purchase of properties or flats under constructions, non-receipt of sale deed within 30 days from the date of registration of the property will attract penal charges of 2% p.a. plus applicable GST on outstanding liability from the due date for receipt of title deeds till the actual receipt of title/sale deed

If the construction is not completed within 36/60/72 months as the case may be, then the unavailed limit will be cancelled and penal charge @ 2% p.a. on outstanding liability plus applicable GST to be levied from 37th /61st /73rd month respectively

All the above referred Penal charges, will be levied at monthly intervals along with applicable GST without capitalisation i.e., no further interest compounded on such charges.

xxi. Applicable recovery charges will be recovered from the customer, in case of default in payment of installments.

xxii. Other charges: As advised in FPC/MITC uploaded in our website/ notice board/ or as intimated to the customers from time to time.

xxiii. Photocopy of the title documents: If the borrower requests for copies of any property documents during the pendency of the loan, a minimum of 15 days' notice should be given to the concerned branch for retrieval of the requested documents by paying the actual courier charges + ₹300/ per withdrawal plus applicable GST.

xxiv. Document retrieval charges: Return of original documents on closure / transfer of the loan: Upon closure of loan, the documents will be returned. The customers will be duly intimated by the branches to collect back the documents within 15 days of closure of the loan. If the documents are urgently required (say within 4 days), then actual courier charges (up to ₹300/- plus applicable GST) has to be remitted.

xxv. Commitment charges: Commitment charge of 1% plus applicable GST on undrawn portion of drawdown schedule in loan to commercial property (LCP) and Builder Loan category will be collected.

3. Security for the Loan

i. Mortgage of Prime security (Full description & Address of property)

ii. Guarantee (Name of the guarantors with parentage)

iii. Other security (Full description & Address of property of other collateral securities, if any)

4. Insurance of the property / Borrowers

Property offered as security to CFHL may, at the sole discretion of the borrower be insured for its full value at the cost of the borrower, covering risks due to theft, burglary, natural calamities, earthquake, fire, strike, riot, and civil commotion (SRCC) and other appropriate hazards during the pendency of the loan.

The borrower may also obtain insurance cover for his/her life and accidental cover at his cost with the approved insurance companies, the cost of which shall be borne by the borrower himself/ herself. Such insurance policy may be assigned in favor of the Company.

When insurance is voluntarily obtained by the borrower, CFHL may be made beneficiary of the policy until the loan is cleared. The policy may be renewed by the borrower from time to time and the same to be kept in the file.

5. Conditions for disbursement of the loan

i. **In case of Construction/Extension/Repair/Renovation etc.:** The sanctioned amount will be released in stages depending upon the progress in construction after ensuring that investment of margin is made by the borrower and the construction is as per approved plan & Estimate.

ii. **Purchase of ready-built house/ flat etc.:** The amount sanctioned for the purchase consideration, preferably along with the margin amount, will be disbursed in one lump sum on the day of registration.

iii. **In case of Composite Loans (Purchase of site and construction of house)** Amount sanctioned for the purpose of purchase of site will be released on the day of registration after the investment of stipulated margin towards the purchase portion of the loan sanctioned. If the construction does not start and borrower fails to avail the loan towards construction within 12 months/6 months only for loan product 245 / complete within 36 months and not fully availed the loan sanctioned, then the loan will be converted to site loan and Rate of interest as applicable to a plot/ site loan on the date of conversion will be charged with prospective effect

iv. **In case of Flat under Construction: Disbursement** will be made after investment of margin of money and progress of construction as per the agreement. The final disbursement will coincide with the registration of the property as well as completion of the building as per stipulated norms of the Company. Loan proceeds will be released in the name of the builder /land owner to their bank account only at the specific request/ authorization of customer.

v. The Company would ensure timely disbursement of loans sanctioned in conformity with the terms & conditions of sanction and compliance of such terms & conditions by the borrower/s/ Guarantors.

vi. Upon the specific request of the customer, the Company shall provide the facility of electronic transfer of loan proceeds through NEFT/RTGS to the account of the beneficiary/ builder/ vendor.

6. Repayment of the loan & Interest

i. EMI Amount: ₹_____commencing from_____

ii. The interest on the loan account is debited at the rate specified in the sanction letter subject to changes made by the Company from time to time and on periodical review of risk profile of the customer. The interest is compounded at monthly rests and debited on last working day of the month.

iii. Total Number of instalments _____months. The tenure shall be effective from the date of EMI commencement.

iv. In case of houses/ flats/ commercial properties under constructions, due date for payment of Pre-Equated Monthly Installment Interest (PEMI) shall be payable at monthly intervals. Such PEMI will start from the date of first disbursement till final disbursement.

v. Equated Monthly Installment (EMI) begin date:
The EMI begin date is as under:

a) For IHL / Commercial Housing Loan / CLSS under PMAY (both EWS/LIG and MIG category) / Loan for Commercial Properties (LCP).

Outright purchase of ready built house/ flat/ commercial property ▪ When the disbursement is made in one go. ▪ Wherever disbursement takes place in stages as in the case of repairs, renovations, furnishing of the house etc.	EMI to commence in the very next month on the sanctioned loan amount. EMI commencement date shall be the earliest of the following: 1) 19th month from the date of sanction (or) 2) The month subsequent to the month of final disbursement (or) 3) The month subsequent to the completion of the moratorium period (pre-EMI period) as per the sanction terms.
For construction of house where land is already owned by the applicant and for repair, renovation/ Extension / Up gradation	EMI commencement date shall be the earliest of the following: 1) 19th month from the date of sanction (or) 2) The month subsequent to the month of final disbursement (or) 3) The month subsequent to the completion of the moratorium period as per the sanction terms.
For purchase of flats in projects under construction	EMI commencement date shall be the earliest of the following: 1) 37th month from the date of sanction (or) 2) The month subsequent to the month of final disbursement (or) 3) The month subsequent to the completion of the moratorium period as per the sanction terms.
For construction of commercial building/ complex / PG's / Studio apartments etc.	EMI commencement date shall be the earliest of the following: 1) 19th month from the date of sanction (or) 2) The month subsequent to the month of final disbursement (or) 3) The month subsequent to the completion of the moratorium period as per the sanction terms.

b) Composite loan:

1. PEMI shall **invariably** be paid at the site loan rate from the beginning on the amount disbursed for purchase of site. However, the customer shall have the option to commence EMI either on the site component of the loan amount or on the entire loan amount after disbursal of the loan.
2. If the disbursement towards construction is not availed within 12 months/6 months only for loan product 245 from the date of sanction:
   - The loan shall be converted to site loan immediately after completion of 12 months/6 months only for loan product 245 and EMI shall commence from the 13th month/7th month for loan product 245 on the amount disbursed towards the site component.
3. In case the disbursement towards construction is availed within 12 months/6 months only for loan product 245 from the date of sanction, the EMI will be fixed on the sanctioned amount and the EMI commencement date shall be the earlier of the following:
   a. 37th month from the date of sanction (or)
   b. The month subsequent to the month of final disbursement (or)
   c. The month subsequent to the completion of the moratorium period as per the sanction terms.
4. The amount paid in excess in the initial stage shall be treated as prepayment and instalment shall be re-fixed for the balance amount for the balance period.

c) Personal loan / Mortgage loan / Loan against Rent Receivables (LRR) / CFHL-Nishchint / CFHL Top up Loan / Site Loan / other Staff Loans (Personal loan, 2/4 Wheler Loan, Dual Loan, Festival advance)

EMI to commence from the next month of availment of the first disbursement.

d) Flexi LAP

If the loan is availed in one lump sum.	EMI to begin in the very next month.
If the loan is availed in tranches (within 6 months).	Full EMI to start from the 3rd month.

e) Loan for Children Education

EMI commencement date shall be the earliest of the following: 1. 13th month from the completion of the course or 2. Getting employment. ▪ EMI is to be fixed upon completion of course based upon the income of the borrower and the student (if got appointment). ▪ However, interest need to be serviced by the borrowers on monthly basis.

vi. The EMI's shall be paid preferably through ECS/NACH.

vii. Due date for payment of Principal: Part pre-payment towards the loan can be made as per the convenience of the customer, once the loan enters the EMI stage.

viii. Procedure for advance intimation of the changes in the rate of Interest: Notice of change in the rate of interest (upward or downward revision) will be published on the website of the Company and on the notice board of the branches as and when ROI changes.

ix. Whenever revision in the rate of interest for loans is effected, same is applicable to all loans including those already sanctioned and outstanding on the date of change in ROI. SMS on such revised ROI will be sent to the mobile number registered with the Company.

x. In the case of loans where delinquencies occur –where repayments are not forthcoming, NACH/ECS/PDC's are returned, perfection of securities not completed within stipulated time, accounts reported in SMA category, then such accounts, at the discretion of the Company, will be reviewed at periodical intervals and will be re-risk rated (S1/S2+/S2/S3) as the case may be and ROI applicable to the respective risk category will be charged. Enhancement in the ROI, if any, consequent upon such risk rating will be communicated to the borrower by SMS alerts to the mobile number registered with the Company.

xi. Whenever there is any revision/reset in ROI, borrower shall have the following options: -

i) Agreeing to pay the applicable enhanced EMI prospectively.

ii) Extend the tenure of the loan, subject to maximum tenure extendable under the respective loan product/purpose or highest income holder reaching age of maximum 70 years, and the eldest borrower whose income is not considered reaching age of maximum 85 years, whichever is earlier.

iii) Pay applicable lump sum prepayments (to be arrived/provided by the company) and continue same EMI.

iv) Continue the same EMI/Enhancement in EMI and extend the tenure of the loan

subject to maximum tenure extendable under the respective loan product/purpose or highest income holder reaching age of maximum 70 years, and the eldest borrower whose income is not considered reaching age of maximum 85 years, whichever is earlier.

Any increase in the EMI/tenure or both on account of revision/reset in ROI will be communicated to the borrower by SMS alerts to the mobile number registered with the Company.

It shall be the responsibility of the borrower to visit/ contact the branch and opt any one of above 4 options in writing. If the borrower does not visit/ contact, then the option (iv) will be exercised by the company automatically /prospectively and SMS will be sent to his/her mobile number registered with the company.

xii. Wherever there is any upward revision in the rate of interest, and the existing EMI is not sufficient to cover the interest, the borrower shall exercise any of the options available to him as mentioned above, immediately after receiving the SMS alert/ notices the Company's website/ notice board and ensure that the interest/ instalments are properly serviced. If the interest/ instalments are not serviced, the account will be classified as delinquent account which may got reflected in the credit profile of the customer in the Company/ credit information/ rating agencies.

xiii. Whenever, downward revision is effected in the rate of interest (card rates for loans, same is applicable for new loans to be granted prospectively.

In respect of old loans, borrowers will have the option of availing the benefit of reduced interest rate by switching over to the quarterly reset of ROI mode as enumerated below:

The automated system of risk rating on anniversary basis and reset of rate of interest on quarterly basis which facilitates quarterly resetting of ROI on the basis of risk rating has come in to force effective from 01/01/2024.Vide this process:

- The risk rating of all the live loan accounts under annual reset mode and quarterly rate of interest reset mode is reviewed and re-risk rated on an anniversary basis
- The accounts will be reviewed and rate of interest will be reset according to the risk rating of the borrowers.

In respect of:

I. **Loans availed before 01/04/2017:**

i) The borrowers who have availed loan before 01/04/2017 (not switched over to annual reset scheme during 01/04/17 to 31/12/23) are given an option to switch over to the quarterly rate of interest resetting mode by executing a link letter which forms a part of the loan documentation. If the borrower executes the link letter then the rate of interest reset scheme will become applicable on quarterly basis, i.e. from the month subsequent to month of submission of the link letter (without IAC).

ii) If the borrower doesn't execute the link letter, the loan account shall not be eligible for the quarterly rate of interest reset scheme and the account shall carry the existing rate till the next revision. If any revision in the ROI is applicable, to the loan account prospectively till such time, the borrower opts for quarterly rate of interest resetting mode.

II. **Loans under annual reset scheme as on 31/12/23:**

i) All loans availed after 01/04/17 to 31/12/23 and loans availed before 01/04/17 (which are under annual reset scheme by submitting link letter) will be due for resetting after 1 year to the prevailing card rate and so on.

ii) The ROI will remain the same for one year from the date of grant of the loan/effective date of annual reset and in case of any revision in rate of interest by the company during the anniversary period shall not be applicable to those loans before the reset date.

iii) All borrowers who are under annual reset scheme are eligible to opt for switch over to quarterly rate of interest resetting mode by executing the link letter which will form a part of the loan document.

iv) During the anniversary period, in case of further reduction in ROI, the borrower has the option to get the benefit of the reduced rate by switching over to quarterly rate of interest resetting scheme by executing the link letter. Such reduced rate will remain in force for three months from the date of such reset and account will become due for reset of ROI after three months from that date.

v) If the borrower executes the link letter at any time after 01/01/24, then the quarterly rate of interest reset scheme will become applicable from the subsequent month of submission of the link letter.

The revised ROI (i.e. the card rate for the product as on the first day of the succeeding month) shall become applicable from the subsequent month and will continue for three months from the date of reset. Any revision in rate of interest during the quarterly period will not be applicable.

vi) If the borrower does not submit the signed link letter such accounts are not eligible for the quarterly rate of interest reset scheme and the accounts shall continue under annual reset scheme till such time they switch over to quarterly rate of interest resetting by executing the link letter.

III. **Loans sanctioned after 01/01/24**

i) All loans availed after 01/01/24 will be due for rate of interest resetting after 3 months, i.e. from May, 2024 onwards. For example, a loan granted during Jan, 2024 will be reviewed and reset on 01/05/24 to the prevailing card rate and so on.

ii) The ROI will remain the same for three months from the date of grant of the loan and in case of any revision in rate of interest by the company during the quarterly period shall not be applicable to those loans before the reset date.

iii) During the quarterly period, in case of further reduction in ROI, the borrower has the option to get the benefit of the reduced rate after payment of applicable interest adjustment charges without any ceiling (i.e. 0.50% of the loan outstanding without any ceiling) such reduced rate will remain in force for three months from the date of such reset and the account will become due for review after three months from that date.

7. Brief Procedure to be followed for Recovery of over dues

i. Personal contacts / persuasion / follow up for recovery of installments / interest due.
ii. If the borrower does not adhere to the repayment schedule, the Company shall follow normal legitimate recovery procedures like sending SMS alerts, telephone calls, emails, visiting the customer's residence/ office, re-possession etc. of the property without resorting to undue coercion. The Company is at liberty to publish the photographs of the defaulting borrowers/ guarantors in the Company's website/ Newspaper and other print/electronic media.
iii. Restructuring/re-phasing of accounts wherever possible as per extant guidelines
iv. Enforcement of Securities as per the provision of SARFAESI Act
v. Recovery through legal methods

8. Issuing statement of account, balance confirmation, interest certificate etc.

The Company is having the customer portal facility in the website and the customer can access the accounts through such facility for obtaining Provisional/Final Interest Paid Certificate for IT purposes by properly registering the passwords with the branch of the Company where he/she is having his/her dealings. The statement of account and other balance confirmation will be issued to the customer once in a year at the specific request of customer without any charges. However, if the customer requests for additional copies/ duplicate certificates, the Company may at his discretion recover appropriate charges.

Further, at the end of each quarter statement with details of principal and interest recovered till date, EMI amount, number of EMI's left and annualized rate of interest / Annual Percentage Rate (APR) for the entire tenor of the loan will be communicated through appropriate channels.

9. Customer Services

i. Visiting hours at the office:

Monday to Friday	- 10.00 A.M.	to	5.00 P.M.
Saturday*	- 10.00 A.M.	to	5.00 P.M.
Lunch time	- 1.30 P.M.	to	2.00 P.M.

***1st & 2nd Saturdays & All Sundays - Holiday**

ii. Details of the person to be contacted for customer service:

Name of the Manager / Officer: _____

iii. Procedure to obtain the following including timeline there for:

1) Loan account statement: Invariably on same day but not exceeding 3 working days. The statement of account will be issued to the customer once in a year at the specific request of customer without any charges. However, if the customer requests for additional copies/ duplicate certificates, the Company may at his discretion recover appropriate charges.

2) It is the borrower's responsibility to register the correct postal address, E-mail ID, Telephone Number & Mobile Number and any other means of communication with the relevant branch of the Company and intimate any changes and get the same registered in the relevant branch. Proper acknowledgement of intimation of such changes shall be obtained from the branch by the borrower.

3) SMS alerts will be sent to the customers wherever there is delay in payment of instalments for which customers should registered their mobile number at the time of sanction and intimate branches in writing, whenever there are changes in their mobile number.

4) The Company shall treat the information relating to customers as strictly confidential and shall not share any information, unless required under law or permitted by the customer.

10. Grievance Redressal Mechanism

The Company has a systematic Grievance Redressal Mechanism. The Customer may refer to Para G of FPC and/or company's website www.canfinhomes.com for more details.

Matrix for escalation: Any aggrieved customer can contact his/her home branch for quick resolution of grievance. If the branch fails to resolve the grievance or the customer is dissatisfied with the resolution offered, he/she can update his/her grievance into the Grievance Redressal Portal at the official website of the Company viz., www.canfinhomes.com - a state-of-the-art web-based system. (OR) Grievance can be lodged at Grievance Redressal Department Telephone Number, 09606084362 (OR) In cases where internet facility is not available or even otherwise, customers are free to send their grievance by Post to the Grievance Redressal Department. There is no prescribed format. The grievance may be addressed to the Grievance Redressal Department. Contact Details: Shri. Jagadish U Bhat (Vice President), Grievance Redressal Officer, Can Fin Homes Ltd, No 29/1, Sir. M N Krishna Rao Road, Basavanagudi, Bengaluru 560004.

Turn Around Time (TAT): 30 days from the date of acknowledgement of the grievance. In case of delay beyond 30 days, an interim reply with reasons for delay will be given and the grievance will be redressed within next 15 days. In case that the complainant is not satisfied with the resolution by the Company or if the issue is not resolved within 30 days from the date of acknowledgment of the complaint, the customer may approach the CRC - National Housing Bank or write to NHB at the following address and lodge a complaint online at the link http://grids.nhbonline.org.in OR in offline mode by post, in prescribed format available at link: https://nhb.org.in/citizencharter/Complaintform.pdf to following address:

Complaint Redressal Cell,
Department of Regulation and Supervision,
National HousingBank
4th Floor, Core – 5A,
IndiaHabitat Centre, New Delhi – 110 003.

It is hereby agreed that for detail terms and conditions of the loan, the parties hereto shall refer to and rely on the loan and other security documents executed/to be executed by them.

The above terms and conditions have been read by the borrower/s/ read over the borrower by Shri/Smt/Km..... of the Company and have been understood by the borrower/s.

Sd/-	Sd/-
(Signature or thumb impression of the Borrower/s)	(Signature of the Authorised person of Lender)

Note: Duplicate copy of the MITC should be handed over to the borrower/s at the time of sanction.