

Policy on Collection of Dues and Repossession of Security

1. Introduction:

The debt collection policy of DBS Bank India Limited is built around dignity and respect to customers. Bank will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment and persuasion. The bank believes in following fair practices with regard to collection of dues and repossession of security and thereby fostering customer confidence and long-term relationship.

The loan amount (along with repayment schedule) / credit limit assigned for the credit cards sanctioned by the bank will be fixed taking into account paying capacity and cash flow pattern of the borrower/credit card holder. The bank will explain to the customer upfront the method of calculation of interest and how the Equated Monthly Installment (EMI)/outstanding or minimum dues for a credit card or any other mode of repayment will be appropriated against interest and principal due from the customers. The method collection of EMI/credit card dues (say post-dated cheque, direct debit, ECS etc.) would be fixed taking into consideration the convenience of the borrower/credit card holder. The bank would expect the customer to adhere to the repayment schedule agreed to and approach the bank for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

Bank's Security Repossession Policy aims at recovery of dues in the event of default and is not aimed at unusual deprivation of the property. The policy recognizes fairness and transparency in repossession, valuation and realization of security. All the practices adopted by the bank for follow up and recovery of dues and repossession of security will be in consonance with the law. Security repossession would commence after other attempts by the Bank to discuss with the borrower the means to resolve the default situations have failed. In exceptional situations, the Bank has the right to repossess the financed asset, as a preventive measure, even in instances where there has been no default but on account of mis-statement of information by the customer that is in violation to the terms and conditions of the loan/credit card agreement.

2. General Guidelines:

All the members of the staff or any person authorized to represent our bank in collection or/and security repossession would follow the guidelines set out below:

1. 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.
2. Identity and authority of persons authorized to represent bank for follow up and recovery of dues would be made known to the borrowers/credit card holders at the first instance. The bank staff or any person authorized to represent the bank in collection of dues or/and security repossession will identify himself / herself and display the authority letter issued by the bank or its authorized collection agencies upon request.

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3. The bank would respect privacy of its borrowers/credit card holders. It shall however be noted that contacting the borrower/credit card holders on phone or personal visits for recovery of dues (in line with this model policy) will not be construed as an intrusion of the privacy of the borrower/credit card holders.

4. The bank is committed to ensure that all written and verbal communication with its borrowers/credit card holders will be in simple business language and bank will adopt civil manners for interaction with borrowers/credit card holders.

5. Normally the bank's representatives will contact the borrower/credit card holders between 0700 hrs and 1900 hrs, unless the special circumstances of his/her business or occupation requires the bank to contact at a different time or on account of special request made by the customer to contact him/her beyond the stipulated timings as mentioned above.

However, customer would be contacted up to 2100 hrs if unable to establish contact during specified calling hours and under specific circumstances where the customer is refusing to pay, is not contactable, is non cooperative, disputing earlier commitments.

6. Borrower's/credit card holders requests to avoid calls at a particular time or at a particular place would be honored as far as possible.

7. The bank will document the efforts made for the recovery of dues and gist of interactions with the borrowers in all possible cases.

8. All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.

9. Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/visits to collect dues.

10. Customer will be updated on the impact of non-repayment of EMI's/credit card dues leading to deterioration in the bureau score of the customer with Credit Information Companies(CIC). The delinquency information will be shared by the bank to CIC on a monthly basis.

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3. Giving notice to borrowers/credit card holders:

While telephonic reminders or visits by the banks representatives to the borrower's/credit card holders place or residence will be used as loan/credit card dues follow up measure, the bank will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing. The minimum time that would be given to the borrower to pay the debt would be 7 (seven) days failing which the Bank would proceed to take possession of the asset (This is applicable for movable and immovable assets only).

However, if the customer deliberately avoids acknowledging or establishing contact with the Bank, then the Bank will be free to proceed with the repossession of the security.

4. Repossession of Security:

Repossession of security is aimed at recovery of dues and not to deprive the borrower of the property. 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. Repossession will be done only after issuing the third and final notice as detailed above. Due process of law will be followed while taking repossession of the property. The bank will take all prudent measures for ensuring safety and security of the property after taking custody.

5. Valuation and Sale of Property:

Valuation and sale of property repossessed by the bank will be carried out as per law and in a fair and transparent manner. In the case of loans against property, the valuation given by the approved valuer will be conveyed to the borrower before proceeding with sale of property.

Even while finalizing sale of the said the offer(s) received by the bank will be informed to the borrower and he will be have an opportunity to bring in a higher price bid. The bank will have right to recover from the borrower the balance due if any, after sale of property. Excess amount if any, obtained on sale of property will be returned to the borrower after meeting all the related expenses.

In the case of assets other than property, the Bank shall conduct an independent valuation of the asset and would sell the same (after giving a 7 day notice to the borrower). The borrower is liable to pay the Bank any loss suffered on account of such sale and in case, there is an excess amount which is realized after the sale of the asset, the Bank shall, in 7 days' time, refund it to the customer.

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6. Opportunity for the borrower/credit card holders to take back the security:

As indicated earlier in the policy document the bank will resort to repossession of security only for the purpose of realization of its dues as a last resort and not with intention of depriving the borrower of the property. Accordingly, the bank 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 bank dues are cleared in full. 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, the bank may consider handing over the property within 7 (seven) days after receiving the installments in arrears. However, this would be subject to the bank being convinced of the arrangements made by the borrower to ensure timely repayment of remaining installments in future.

7. Engagement of recovery agents

The bank may utilize the services of recovery agents for collection of dues and repossession of securities. Recovery agents will be appointed as per regulatory guidelines issued in this regard. In this respect:

- a) Only recovery agents from the approved panels will be engaged by the bank.
- b) In case bank engages service of such recovery/enforcement/seizure agent for any recovery case, the identity of the agent will be disclosed to the borrower/credit card holders.
- c) The recovery agents engaged by the bank will be required to follow a code of conduct covering their dealings with customers.

8. Escalation Matrix

Any dispute with Customer arising on account of Overdue payments with Customer, the below escalation matrix to be followed by the Customer/Debt Collection Agency

- a) Agency Supervisor
- b) State collections Manager (DBS Staff)
- c) Zonal Collection Manager
- d) Head Collections
- e) Bank's Nodal officer(Process to be followed as per Banks escalation process)