

**CHARTERED FINANCE & LEASING
LTD. (CFL)**

(“NBFC/ B-13.02480”)

HOUSING LOAN POLICY

SUMMARY OF POLICY

Particular	Details
Policy Name	Housing Loan Policy
Version	V3
Latest Approval/Review Date	20th May, 2025
Review Cycle	Annually
Approver	Board of Directors of Chartered Finance & Leasing Ltd

Version History				
VERSION NO.	APPROVAL	VERSION DESCRIPTION	REGULATORY REFERENCE	REMARKS
I	Board Meeting dated 30th March, 2016	2016	RBI Regulation	Policy adopted by the Board
II	Board Meeting dated 20th May, 2025	2025	RBI Regulation	Review by the Board
III	Board Meeting dated 07 th April, 2026	2026	RBI Regulation	Review by the Board

Housing Loan Policy

1. Objective

To outline the eligibility, terms, documentation, risk assessment, and control measures for sanctioning and disbursing housing loans, ensuring financial prudence, regulatory compliance, and customer satisfaction.

2. Scope

This policy applies to:

- Employees/customers seeking housing loans for purchase, construction, or renovation.
- All branches/credit departments involved in loan processing, sanctioning, monitoring, and recovery.
- Loans for the third dwelling unit onwards to an individual shall be treated as Commercial Real Estate exposure and reckoned within CFL's internal limit for sensitive sector exposure.
- Housing loans to 'Specified employees' and their relatives shall be subject to CFL's policy on lending to related parties and reported to the Board annually.

3. Eligibility Criteria

Criteria	Condition	Remarks
Age	21–60 years at loan maturity	Proof of age required
Employment/Income	Minimum 2 years continuous service/income	Salary slips/ITR required
CIBIL/Score	Minimum 700	Credit bureau report mandatory
Co-applicant	Spouse/close relative allowed	Joint liability applicable
Residency	Resident Indians / NRIs (separate norms)	As per RBI guidelines

4. Loan Terms & Conditions

Parameter	Standard Norms	Remarks
Loan Amount	Based on repayment capacity	Max 80–85% of property value (LTV)
Tenure	Up to 20 years	Depends on age & retirement age
Interest Rate	7% to 12%	Concession for women/first-time buyers
Processing Fee	0.5% – 1% of loan amount	Non-refundable
Security	Equitable mortgage of property	As per the terms of agreement/Sanction Letter
Repayment	As per the terms of agreement/Sanction Letter	As per the terms of agreement/Sanction Letter
Prepayment/Foreclosure	No pre-payment charges shall be levied on floating rate housing loans to individuals; for fixed rate loans, pre-payment charges, if any, shall be as per CFL's Interest Rate Policy and based on the amount being prepaid; applicability shall be disclosed in the sanction letter, loan agreement and KFS.	No charges for floating rate loans

Penal charges, if any, shall be levied in accordance with CFL's Interest Rate Policy and not as penal interest, and shall be disclosed in the loan agreement and KFS.

Security interest created by mortgage, including mortgage by deposit of title deeds, shall be filed with CERSAI on an ongoing basis.

5. Documentation Requirements

Applicant KYC:

- KYC shall be completed by obtaining the proof of possession of Aadhaar number or any OVD (or the Aadhaar number only where so permitted), and the PAN or equivalent e-document or Form No. 60.
- Address Proof

Income Proof:

- Salaried: Salary slips (last 3 months), Form 16, Bank Statement (last 6 months)

- Self-Employed: ITR (3 years), Business financials, GST returns

Property Documents:

- Sale agreement, Allotment letter, NOC from builder/ society, Encumbrance certificate, Approved building plan
- Co-applicant documents (if applicable)
- Property insurance papers

CFL shall provide a Key Facts Statement in the standardised format to all prospective housing loan borrowers before execution of the loan contract.

6. Risk Control Measures

Risk Type	Control Measure
Credit Risk	CIBIL check, income assessment, repayment capacity analysis
Market Risk	Floating rate housing loans shall be linked to the benchmark specified in CFL's Board-approved Interest Rate Policy, and on reset CFL shall offer the options of EMI enhancement or tenor elongation or both, switch to fixed rate as per the Interest Rate Policy, and prepayment, without negative amortisation, and shall provide a quarterly statement.
Operational Risk	Centralized documentation verification, dual-approval system
Legal Risk	Independent legal scrutiny of property documents
Liquidity Risk	Periodic stress testing, monitoring of LTV ratios

7. Monitoring & Review

- Annual review of repayment performance.
- Pre-closure/foreclosure tracking.
- Early Warning Signals (EWS) such as salary delay, cheque bounce, or overdue EMI to be monitored.
- Credit information shall be reported to all Credit Information Companies as on the 9th, 16th, 23rd and last day of each month, the full file as on the last day of the month being submitted by the 5th day of the following month and the incremental accounts as on the 9th, 16th and 23rd day being submitted within four calendar days of those dates.

- Housing loan accounts shall be classified as SMA and NPA in accordance with the Resolution of Stressed Assets Directions and the IRACP Directions.
- CFL shall release all original property documents and remove charges registered with any registry within 30 days after full repayment / settlement, mention the timeline and place of return in the sanction letter, and compensate the borrower at ₹ 5,000 for each day of delay attributable to CFL.

8. Review & Policy Revision

- This policy will be reviewed annually or as required by regulatory changes.
- Any deviation must be approved by the Board or designated committee.