

Policy on Collection of Dues and Repossession of Security –The Royal Bank of Scotland N.V.

1. Introduction:

The collections policy of the Bank presumes that the Borrower intends to repay the Loan. It is governed by the philosophy of dignity and self respect of the

DAY (By)	ACTION
15 days Past Due	Cheque bounce letter is sent by the Bank to the customer
30 Days Past Due	Tele Calls & Physical visits to borrower for payment / collection First Loan Recall Notice is sent to the borrower
60 Days Past Due	Continue Telecalling and Physical Visits with higher frequency.
90 Days Past Due	Proceedings under Section 138 are initiated against the borrower.
180 Days Past Due	Initiation of the foreclosure process under SARFAESI Act or through DRT / Metropolitan Courts and pursue taking possession of the property
> 720 Days Past Due	Recovery and legal efforts continue against the borrower

Borrower. All the collections efforts which the Bank engages in, bear this philosophy aimed at nurturing Client confidence and long term relationship.

The Borrower is provided with a Repayment Schedule right at the inception of the Loan which is arrived at after considering the repaying capacity of the Borrower. The schedule further advises the Borrower of the bifurcation of EMI into Principle and Interest. The Bank,

thereby expects the Borrower to adhere to the schedule of repayment strictly

NB. The above action plan is without prejudice to the period prescribed for various statutory actions.

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Bank's Repossession Policy also works on the same underlying presumption and as per provisions of law. The Bank's actions are directed to recovery of the dues in a fair, transparent and law abiding manner and not aimed at eviction of the Borrower from the property, but without prejudice to the right of the Bank

2. Collection Guidelines:

Keeping in mind the philosophy of self respect, the Bank officials/representatives follow the given guidelines during Borrower interface:

Bank officials / representatives would provide their identification at the very outset. The Borrower 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. The individual privacy would be respected.

The Borrower would be normally contacted between **8 am to 8 pm** unless special circumstances of the Borrower's occupation requires contact at a different time.

Complete documentation of Collection efforts and Borrower communication will be maintained by the Bank. Bank will provide assistance to the Borrower in resolving disputes in an amicable and mutually acceptable manner and avoid unlawful circumstances in making collections efforts as far as possible.

3. Adequate Notice period

The Bank is committed to ensure that all written communication with its Borrowers will be in simple business language and the Bank will adopt civil manners for interaction with Borrowers. The Bank is also committed to ensure that no legal or recovery measure would be initiated without giving adequate notice period to the Borrower. The Bank will issue a 60 day notice period to the Borrower to foreclose the Loan before initiating property repossession except in compelling circumstances. Any undelivered notice shall be published in the newspapers (English/Vernacular)

4. Repossession.

Timely valuation of the property would be carried out at all steps as per the securitization Act. The valuation would be done in a fair and transparent manner. The Bank aims at recovery of dues through sale of the repossessed property. The Bank would take reasonable care of the repossessed property. The Bank shall have the right of set-off and lien, irrespective of any other lien or charge, present as well as future, on all account/deposits of the Borrower with the Bank, whether in single name or joint name(s), to the extent of all outstanding dues to the Bank. For such purposes, the Bank may at its sole discretion close the deposit(s) prematurely as per rules in vogue in the Bank for premature closure of deposits. The lien shall be valid and binding on the Borrower and operative until repayment in full of all moneys due to the Bank from the Borrower. Excess amount if any, obtained on sale of property will be returned to the Borrower after meeting all the related expenses provided the Bank is not having any other claims against the Borrower.

5. Opportunity for the Borrower to take back the security

The Bank, as stated earlier, stands by the philosophy that it would resort to repossession of security only for the purpose of dues recovery and not with intention of depriving the Borrower of his/her property. Accordingly, the Bank would be open to consider, solely at its discretion, an option to hand over

possession of property back to the Borrower any time after repossession and before concluding sale transaction of the property provided the Bank dues including the costs and expenses are cleared in full within the time frame specified by the Bank. The Bank may also consider handing over the property after receiving the installments in arrears if satisfied with the genuineness of the Borrower's inability to pay the loan installments as per the schedule, which resulted in the repossession of security. However, this would be subject to the Bank being convinced that the arrangements made by the Borrower are sufficient to take care of timely loan repayment in future.