

HO/DOS/DAK/2023/01787
August 16, 2023

To All registered HFCs

Madam/Sir,


Sub: Public Grievances with respect to Housing Finance Companies – Advisory

Bank has been studying and analysing the root causes of the grievances received from the customers of HFCs from time to time. Based on the same a need is felt to once again sensitise the HFCs again on issues related to customer grievances.

The HFCs are advised to:

2. Review and simplify their internal processes, minimize paperwork, reduce response time and ensure a smooth borrower journey. HFCs may Implement digital tools and automation to streamline operations.
3. Ensure all disclosures regarding fees, Processing Charges, Service Charges, pre-payment charges etc. through website(s) and Notice board(s) on premises are in place as per relevant provisions of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
4. Ensure that any loan application rejection is backed by specific appropriate reasons and that the same is communicated in writing to the concerned applicant as per provisions of Para 75.5 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
5. Ensure that there should not be any harassment of borrowers such as calling borrowers at odd hours, use of muscle power for recovery of loan etc as per provisions of Para 85.4 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021.
6. Ensure that their Cyber Security Framework is in place and working properly as there is a trend of increase in number of complains related to cyber frauds. Further, Customer awareness should also be increased with regard to cyber security by HFCs through SMS, emails and through advertisements in print and social medias.
7. Ensure compliance with Disclosure of complaints in Notes to accounts as given in RBI circular on *Disclosures in Financial Statements – Notes to Accounts of NBFCs* dated April 19, 2022

Yours faithfully,


(Reejā Jayadeesh)
Deputy General Manager
Department of Supervision