

Policy

Fair Practice Code for Lenders – JPMorgan Chase Bank, N.A., India

Current Effective Date: February 22, 2022

1. Summary or Rationale

The Bank, JPMorgan Chase Bank, N.A., India (“JPMCB India”) shall advance loans to non-individual borrowers. The only exception is for the Supply Chain Finance Program, through which JPMCB India extends credit facilities to sole proprietorships/partnerships also, on the basis of corporate guarantee from the sponsoring corporate.

This policy sets forth the business practices followed by JPMCB India in its dealings with borrowers.

2. Policy Statements

Loan Requests- All the loans advanced by JPMCB India must be based on bilateral negotiations and agreement with the Borrowers.

Approvals and Disbursements- JPMCB India must ensure timely disbursement of loans sanctioned in conformity with the applicable terms and conditions governing such loans

3. Loan Requests

Applications for loans and their processing

All the loans advanced by JPMCB India must be based on bilateral negotiations and agreement with the Borrowers. Therefore, JPMCB India must request for such documents from the Borrower as may be deemed necessary so as to ensure a thorough and proper due diligence and credit appraisal of the Borrower as also completion of KYC and formalities in accordance with the KYC & AML policy of the Bank.

The facility advice letters or term sheet or other documents exchanged with the borrower must contain the following:

- the fees / charges payable for processing and the all-in-cost to the borrower
- the pre-payment options
- any other matter which affects the interests of the borrower

Loan appraisal and terms/conditions

- JPMCB India must ensure proper assessment of loan proposals in accordance with JPMCB India's credit policies and procedures.
- After assessment of a loan proposal, JPMCB India must convey to the borrower the credit limit along with the terms and conditions thereof and keep the borrower's acceptance of these terms and conditions given with his full knowledge on record.
- Terms and conditions and other caveats governing credit facilities if arrived at after negotiation with the borrower must be reduced in writing and duly certified by the authorised official. A copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement must be furnished to the borrower.
- The loan agreement should clearly stipulate credit facilities that are solely at the discretion of the Bank and the Bank does not have an obligation to meet further requirements of the borrower
- In the case of consortium lending the procedure for appraisal, sanction or rejection will be done in consultation with the participating members.
- In case of rejection of loan applications received, JPMCB India shall convey in writing the main reasons for rejection of the loan application, within 30 working days from the date of receipt of required documents along with loan applications. In case of pending loan requests beyond 30 days, the same must be placed in the governance forums.

4. Approvals and Disbursements

Sanction and Disbursement of loans including changes in terms and conditions

- The sanction of loans must be communicated to the borrowers within a reasonable time.
- JPMCB India must ensure timely disbursement of loans sanctioned in conformity with the applicable terms and conditions governing such loans. JPMCB India must give reasonable notice of any change in terms and conditions including interest rate, service charges etc. JPMCB India must ensure that changes in interest rates and charges are only effected prospectively after due notice to the borrower. A suitable condition in this regard must be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement must be with notice to the borrower in consonance with the terms and conditions of the loan agreement. However, if the Lender has the right to accelerate payment or performance "on demand" (without any notice period) as per the loan agreement, JPMCB India must provide one day of notice to the borrower.
- JPMCB India must release all securities on repayment of all dues by the Borrower or on realisation of the outstanding amount of the loan within reasonable time subject to any legitimate right or lien for any other claim the Bank may have against borrower. If the Bank decides to exercise such right of set off, the borrower must be given notice of the same, with full particulars about the remaining claims and the conditions under which the Bank is entitled to retain the securities till the relevant claim is settled/paid

Other Considerations

- JPMCB India must refrain from interfering in the affairs of the borrower except in accordance with the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Bank).
- In case of receipt of a request from the borrower for transfer of the loan account, the consent or otherwise i.e. objection of the Bank, if any, must be conveyed within 21 days from the date of receipt of such a request. Such transfer must be in accordance with transparent contractual terms and in consonance with the law.
- In the matter of recovery of loans, JPMCB India must not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

All disputes in respect of JPMCB India's actions/decisions concerning loans and advances, must be dealt with in accordance with the Global Complaints Policy of JPMorgan.

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