

ANNEXURE I

MODEL CODE OF CONDUCT FOR RECOVERY AGENTS

Applicability :

The Model Code of Conduct for Recovery Agents (RAs) will be applicable to all RAs appointed by the Bank. The Code of Conduct shall form part of the agreement between the Bank and the Recovery Agents. RAs must agree to abide by this code prior to undertaking any recovery operation on behalf of the Bank. Any RA found violating this code may be blacklisted and such action taken will be reported to concerned Business Group by the branches/operating units. Business Group in turn will send this information to IBA on a monthly basis to circulate the same to member Banks for action at their end.

2. When & where RAs may contact a person on telephone:

(a) Telephonic contact may normally be limited to between 08.00 hrs and 20.00 hrs unless the special circumstances of the borrower's business or occupation demands otherwise. However, it may be ensured that a borrower is contacted only when the call is not expected to inconvenience him/her. Calls earlier or later than the prescribed hours may be placed only under the following conditions:

- (i) When the borrower has authorized to do so in writing or orally.
- (ii) Due notice of recall of the loan has been served by the Bank on the borrower, and appointment of recovery agent has been intimated to him, and the borrower is intentionally avoiding calls of the RA.
- (iii) Time and number of calls and contents of conversation will be documented.

(b) The borrower would be contacted ordinarily at the place of his choice and in the absence of any specified place he will be contacted at his/her residence in the place of employment/ business as the case may be.

(c) In appropriate occasions such as bereavement in the family or such other calamitous occasions would be avoided for making calls/ visits to collect dues.

3. Can the borrower's Loan arrangement be discussed with anybody else?

Normally RAs should maintain borrower's secrecy. However, the matter may be discussed with his family members if borrower's response to notice of recall and repeated calls made by RAs on the borrowers do not evoke any response. Family for this purpose will only be close and adult family members and will include spouse, son (including legally adopted son), unmarried daughter (including legally adopted daughter), unmarried sister, father, mother, daughter-in-law, grandson and grand-daughter.

3.1 Leaving messages and contacting persons other than the borrower

Calls first must be placed to the borrower. If the borrower is not available a message should be left for the borrower to return the call or check for a convenient time to call again. Message should be left with his business associate or person(s) representing him in the Bank and indicate that

"xxxxx (Name of the RA) representing xxxxx (Name of the Bank) called and requested to call back at xxxxxxxxxxxx (phone No). The purpose of the call is recovery of Bank's dues."

3.2 Code adopted during the call

- The RAs will identify himself/herself to the borrower and will apprise him/her of the authority to represent.
- State reason for call. Provide the borrower with all the information regarding dues and necessary notice be given for enabling discharge of dues.
- Offer to call back, if the borrower is busy.
- Talk in language which is most comfortable to the borrower.
- Keep conversation limited to business.
- Reconfirm next call or next visit.
- Provide contact numbers (for RAs as well as the Bank).
- Reasonable notice will be given before repossession of security as well as before its realization.
- All assistance will be given to resolve disputes or differences in a mutually acceptable and in an ordinary manner, if any as regards dues.
- Demeanor that will suggest criminal intimidation or threat of violence would be scrupulously avoided.

4. **Gifts or bribes**

- RAs will not accept any kind of gift or bribe

5. **Others**

- RAs will not accept cash and recoveries will be deposited in the Bank directly.
- RAs must be appropriately dressed, decorum and decency will be maintained.
- RAs will furnish an undertaking placed at Annexure.
- RAs would resort only the legally permissible activities during the course of recovery.