



Nestavia Home Finance Private Limited

(“Nestavia” or “Company”)



Policy on Key Facts Statement (KFS) and Most Important Terms and Conditions (MITC)



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Name of the Policy: Policy on Key Facts Statement (KFS) and Most Important Terms and Conditions (MITC)

Policy Number: PKM-01/2025

PREAMBLE

Nestavia Home Finance Private Limited (hereinafter referred to as "Nestavia" or "the Company") recognizes that the success of the organization is built on a foundation of trust, integrity, and ethical behaviour.

This **Policy on Key Facts Statement (KFS) and Most Important Terms and Conditions (MITC)** is designed to ensure transparent communication to the customer while extending home loans and mortgage loans. It aims to promote transparency, fairness, and consistency in our lending practices.

This Policy is framed in compliance with all the applicable regulations including those from the Reserve Bank of India (RBI), National Housing Bank (NHB), etc.

Prepared and Proposed By	Head – Credit and Head - Legal
Reviewed and Recommended By	Managing Director and Chief Executive Officer
Approved By	Board of Directors
Date of Approval	07-Jul-2025

RESPONSIBILITY ASSIGNMENT MATRIX

Responsibility for Implementation	Credit and Legal Departments
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VERSION CONTROL

Version No.	Date of Approval by Board of Directors	Key Highlights/Changes
1.0	07-Jul-2025	Roll-out of policy

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1. Objective and Scope

This policy outlines the guidelines and procedures for disclosures in Key Fact Statement (KFS) and Most Important Terms and Conditions (MITC) to the customers in line with the directions of the **Reserve Bank of India (RBI)** and the **National Housing Bank (NHB)**.

This policy is designed to ensure clear and upfront communication of interest rate, charges, fees, terms and conditions to all potential and existing customers.

2. Regulatory Framework

This policy is framed in accordance with:

- RBI Master Directions for NBFCs including HFCs
 - RBI's Key Facts Statement (KFS) for Loans & Advances
 - NHB Circulars/Guidelines for Housing Finance Companies
 - Fair Practices Code of the Company
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3. Governance and Oversight

- The **Board of Directors** shall provide strategic direction and monitor implementation.
 - The **Credit and Legal Departments** shall oversee day-to-day monitoring.
 - Periodic review and internal audit of this policy shall be carried out on periodic basis.
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4. Key Fact Statement (KFS)

4.1 Definition

The Key Fact Statement (KFS) is a standardized document that provides prospective borrowers with essential information about the loan, including interest rates, charges, and repayment schedules, in a simple and understandable format.

4.2 Applicability

KFS must be provided to all prospective borrowers before the execution of the loan contract for retail and MSME term loans, as per RBI guidelines effective from October 1, 2024.

4.3 Contents of KFS

The KFS shall be in a language understandable by the borrowers and include the following:

- **Loan Details:** Loan amount, tenure, interest rate, and EMI details.
- **Annual Percentage Rate (APR):** A computation sheet detailing the APR, inclusive of all charges levied by the company.
- **Amortization Schedule:** A detailed repayment schedule over the loan tenure.
- **Third-Party Charges:** Disclosure of charges recovered on behalf of third-party service providers, such as insurance or legal fees, included in the APR.
- **Validity Period:** The KFS must have a validity period of at least three working days for loans with a tenor of seven days or more, and one working day for loans with a tenor of less than seven days. The Company shall be bound by the terms of the loan indicated in the KFS, if agreed to by the borrower during the validity period.
- **Unique Proposal Number:** Each KFS shall have a unique proposal number for tracking purposes.

4.4 Borrower Acknowledgment

The contents of the KFS shall be explained to the borrower, and an acknowledgment shall be obtained confirming their understanding of the same.

4.5 Restrictions on Charges

Any fees or charges not mentioned in the KFS cannot be charged by the company to the borrower at any stage during the term of the loan without explicit consent from the borrower.

4.6 Inclusion in Loan Agreement

The KFS shall be included as a summary box and exhibited as part of the loan agreement.

5. Most Important Terms and Conditions (MITC)

5.1 Definition

The Most Important Terms and Conditions (MITC) document outlines the critical terms and conditions governing the loan agreement, ensuring that borrowers are fully informed of their obligations and rights.

5.2 Contents of MITC

The MITC shall be in a language understandable by the borrowers and include:

- **Security/ Collateral for the Loan:** Details of property to be mortgaged as security for the loan, names of Guarantors, if applicable, and other securities, if any.
- **Loan Amount and Disbursement Details:** Clear information on the loan amount and disbursement process.
- **Interest Rate and Repayment Terms:** Detailed explanation of the interest rate, repayment schedule, and any applicable penalties for late payments.

- **Prepayment and Foreclosure Terms:** Conditions under which prepayment or foreclosure is allowed, including any associated fees.
- **Insurance and Other Ancillary Services:** Information on any insurance or other services linked to the loan, including costs and benefits.
- **Default and Recovery Procedures:** Clear outline of actions in case of default, including quantum and reason for penal charges, recovery processes and borrower rights.
- **Issue of Outstanding Balance Statement:** Mentioning of the date on which annual outstanding balance statement will be issued.
- **Customer Services:** Brief mentioning on (i) Visiting hours of office/branch, (ii) Customer Service contact details and (iii) Procedure and Timeline on loan account statement, photocopy of title documents and return of original documents upon loan closure.

5.3 Borrower Acknowledgment

The borrower shall acknowledge receipt and understanding of the MITC before the execution of the loan agreement.

5.4 Inclusion in Loan Agreement

The MITC shall be included as a summary box and exhibited as part of the loan agreement.

6. Compliance and Monitoring

- **Provision of KFS and MITC:** KFS and MITC shall be provided to all the Borrowers at every stage of the loan processing as well as in case of any change in any terms and conditions.
- **Training:** Regular training sessions shall be conducted for staff to ensure adherence to KFS and MITC guidelines.
- **Audits:** Periodic audits will be carried out to verify compliance with this policy any gaps shall be reported to the **Audit Committee**.
- **Grievance Redressal:** A mechanism shall be in place for borrowers to raise concerns or complaints regarding KFS and MITC.
- RBI/NHB observations must be rectified within stipulated timelines.

7. Policy review and amendments

This Policy will be reviewed periodically and updated to reflect changes in the law, industry best practices and organizational needs. The Board of Directors to review and approve any amendments to changes to this policy.

This Policy serves as the basis for ensuring effective communication to customers through this **Policy on Key Facts Statement (KFS) and Most Important Terms and Conditions (MITC)** for all loans extended by Nestavia.

By adhering to this Policy, Nestavia Home Finance Private Limited seeks to ensure Customers are aware of all the key aspects of the Loan before and after taking the loan.
