

# Policy on Collection of Dues and Repossession of Security

MUFG BANK  
INDIA BRANCHES  
ANNEXURE 8

## Document History

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## 1. Introduction

The debt collection policy of the MUFG India (hereinafter referred to as “the Bank”) is based on the principle of dignity and respect to customers. The policy is built on courtesy, fair treatment and persuasion. The Bank believes in following fair practices with regard to collection of dues and repossession of security and thereby fostering customer confidence and long-term relationship and thereby ensures that there is no coercive practice followed while collecting the dues. For any loan sanctioned, the Bank will explain the repayment schedule for such loan by way of amount, tenure and periodicity of amount. The Bank expects the customers to adhere to the repayment schedule agreed to and approach the Bank for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

The Bank’s security repossession policy aims at recovery of dues in the event of default and is not aimed at whimsical deprivation of the property. The policy recognizes fairness and transparency in repossession, valuation and realization of security. All the practices adopted by the Bank for follow up and recovery of dues and repossession of security will be in consonance with the law.

## 2. General Guidelines

The policy is based on the following guidelines:

1. The customer 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.
2. Identity and authority of persons authorized to represent the Bank for follow up and recovery of dues would be made known to the borrowers at the first instance. The Bank’s staff or any person authorized to represent the Bank in collection of dues or/and security repossession will identify himself / herself and display the authority letter issued by the Bank upon request.
3. The Bank would respect privacy of its borrowers.
4. The Bank is committed to ensure that all written and verbal communication with its borrowers will be in simple business language and the Bank will adopt civil manners for interaction with borrowers.
5. Normally the Bank’s representatives will contact the borrower between 0700 hours and 1900 hours, unless the special circumstance of his/her business or occupation requires the Bank to contact at a different time.
6. Borrower’s requests to avoid calls at a particular time or at a particular place would be honored as far as possible.
7. The Bank will document the efforts made for the recovery of dues and the copies of communication sent to customers, if any, will be kept on record.
8. Reasonable efforts will be made to provide assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner.
9. Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls/visits to collect dues.

### 3. Giving Notice to Borrowers

1. While written communications, telephonic reminders or visits by the Bank's representatives to the borrower's place or residence will be used as loan follow up measures, the Bank will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing.
2. The Bank will follow all such procedures as required under law for recovery/repossession of security.
3. Notice, clearly stating the number of days within which payment is to be made, will be issued to the borrowers to pay off the dues before initiating repossession of security. However if the borrower deliberately avoids acknowledging or establishing contact with the Bank then the Bank will be free to proceed with the repossession of security.

### 4. Repossession of Security

1. Repossession of security is aimed at recovery of dues and not to deprive the borrower of the property. The recovery process through repossession of security will involve repossession, valuation of security and realization of security through appropriate means. All these would be carried out in a fair and transparent manner.
2. Repossession will be done only after issuing the notice as detailed above in Point 3.
3. Due process of law will be followed while taking repossession of the property. The Bank will take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business.

### 5. Valuation & Sale of Property

1. Valuation and sale of property repossessed by the Bank will be carried out as per legal provision, if any, and in a fair and transparent manner.
2. The Bank has right to recover from the borrower the balance due if any, after sale of property. 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 customer.

### 6. Opportunity for the borrower to take back the security.

1. As indicated earlier in the policy document, the Bank will resort to repossession of security only for the purpose of realization of its dues and not with intention of depriving the borrower of the property.

Accordingly, the Bank indicates its willingness to consider handing over possession of property to the borrower any time after repossession and before concluding sale transaction of the property, provided the Bank dues and all related expenses are cleared in full within the time frame specified by the Bank; and

2. If satisfied with the genuineness of borrower's inability to pay the loan installments as per the schedule which resulted in the repossession of security, the Bank may, in its complete discretion, consider handing over the property after receiving the installments in arrears. However, this would be subject to the Bank being convinced of the arrangements made by the borrower to ensure timely repayment of remaining installments in future.

3. The Bank will return the repossessed security to the borrower only after settlement of all claims.

## 7. Approval Authorities for Review and/or Amendment of the policy

EXCO for Indian Operations through the Chief Risk Officer (CRO) and Credit Risk Management, India (CRM, India).

This policy is subject to an annual review.