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MENTOR HOME LOANS INDIA LTD.

POLICY FOR CO-LENDING OF LOANS

Revision History:

Policy approved by	Board of Directors
Effective from	18 th May, 2022
1st Amendment	28 th December, 2022
2nd Amendment	28 th December, 2023
3rd Amendment	29 th November, 2024

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Policy for Co-lending of Loans

Background and Objectives

The Company has framed co-lending Loan policy as per the Reserve Bank of India (RBI) vide its circular no. RBI/2020-21/63 FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 (“circular”) dated November 05, 2020 (in supersession of the earlier circular FIDD.CO.Plan.BC.08/04.09.01/2018- 19 dated September 21, 2018). RBI vide this circular has given operational flexibility to the lending institutions by revising its existing scheme as “Co-Lending Model” (“CLM”) to improve flow of credit to the unserved and underserved sectors of the economy and make funds available to the ultimate beneficiary at an affordable cost giving better reach to the NBFCs.

In this direction, an important game changing step by RBI has been the introduction of Co- lending Model, through which it has paved the way for a model where in the Non-banking finance companies (NBFCs), Housing Finance Companies (HFCs) and the Banks can come together to collaborate and get into an arrangement to do joint origination and lending in the market. The model envisages a joint lending process in such a manner that there are defined roles for each party and the risks and rewards are shared by both the co-lenders. This model will not only help to leverage on the liquidity strengths of the banks and other FIs, but also will help make effective use of the deep reach of the NBFCs and HFCs, thereby making funds available to the ultimate beneficiaries at an affordable cost.

Considering it as a good opportunity to further scale up the retail lending business and Looking at its great potential as well economic viability, the co-lending model and Policy has been adopted as per below outlined framework:-

- ❖ Mentor Home Loans India Limited (MHLIL) will explore the possibilities of entering into Co-lending arrangements with the Banks, NBFCs and HFCs for co-origination and joint lending of Housing Loans (HL) and Loans Against Property (LAP).
- ❖ The company will enter into collaborations with co-lending partner and execute a Master Co- Lending Agreement with the Partnering Bank /FI detailing the scope and other terms & conditions as required and in line with the guidelines issued by RBI.
- ❖ The Master Agreement will cover the co-lending model under co-branded co-origination arrangement or option for Partnering Bank / NBFC /HFC to take their share of the individual loans originated by MHLIL under Direct assignment model or both as case, may be and agreed with Co-lending Partner.
- ❖ The company will chalk out a separate common lending policy in agreement with the partnering Bank / FI to source and process loans according to agreed common policy.
- ❖ The company shall open the designated Escrow accounts for the arrangement and ensure to process and route loans under co lending through these specified accounts.

This policy shall be subject to, and read with, the RBI Circulars on Co origination and Co lending as referred earlier and/or the other Applicable Laws.

Pawan Kumar Goyal
Managing Director

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MENTOR HOME LOANS INDIA LTD.

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