POLICY

ON

CO – LENDING MODEL

2024

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1. PREAMBLE

The objective of this policy is to jointly originate loans with NBFCs, as permitted by the Reserve Bank of India (RBI). RBI had introduced a scheme for co-origination vide circular no. FIDD.CO.Plan.BC.08/04.09.01/2018-19 dated September 21, 2018. This has been revised and renamed as Co-lending Model by RBI circular no. FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated 05.11.2020.

The primary focus of the Co-lending Model is to improve the flow of credit to unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower costs of funds from Banks and greater reach of NBFCs.

The Co-lending of loans with eligible NBFCs/HFCs will pertain to Retail, MSME, and Agriculture and Large Corporate verticals. The Policy is applicable for both priority sector and non priority sector.

2. TERMINOLOGY

Abbreviation	Description
RBI	Reserve Bank of India
NBFC	All Registered Non-Banking Financial Companies (NBFCs) including Housing Finance Companies (HFCs)
CLM	Co-lending Model
KYC / AML	Know Your Customer / Anti – Money Laundering
MHP	Minimum Holding Period
Master Agreement	The Master Agreement entered into with NBFC for implementing the CLM.
SOP	Standard Operating Procedures

3. FEATURES OF THE CO-LENDING MODEL (CLM)

The CLM has been formulated based on the revised guidelines advised in RBI Circular no. FIDD.CO.Plan.BC.No.8/04.09.01/2020-21 dated 05.11.2020 **(ENCLOSURE-1).**

3.1 Sharing of Risk and Rewards:

The Bank may engage with NBFCs registered with RBI for Co-Lending. The arrangement should entail joint contribution of credit at the facility level, by both lenders. It should also involve sharing of risks and rewards between the bank and the NBFC for ensuring appropriate alignment of respective business objectives, as per the mutually decided agreement between the bank and the NBFC, inter alia, covering the essential features as indicated in RBI guidelines on Co-Lending Model.

The Minimum 20% of the credit risk by way of direct exposure shall be on NBFC's books till maturity and the balance maximum of 80% will be on bank's books. The NBFC shall give an undertaking to the bank that its contribution towards the loan amount is not funded out of borrowing from the co-lending bank or any other group company of the partner bank.

The Bank will take its share of the individual loans on a back – to – back basis in its books. However, NBFC shall be required to retain a minimum of 20% share of the individual loans on their books. However, the bank shall have discretion for taking into its books the loan originated by NBFC in compliance of RBI guidelines

Classification of Co-Lended loans:

The Bank can claim priority sector status in respect of its share of credit while engaging in the co-lending arrangement in case of priority sector loans.

3.2 Interest Rate:

Rate of interest may be under both Fixed and Floating rate regime based upon mutually agreed terms with NBFC on case-to-case basis.

The ultimate borrower may be charged an all-inclusive interest rate as agreed upon with the NBFC conforming to the extant guidelines applicable to both.

Based on the respective interest rates and proportion of risk sharing, a single blended interest rate should be offered to the ultimate borrower in case of fixed rate loans. In the scenario of floating interest rates, a weighted average of the benchmark interest rates in proportion to the respective loan contribution, should be offered. The interest rate charged by the bank for its portion of credit, shall be subject to applicable directions on interest rates on advances. Further, the NBFCs are also required to abide by the pricing of credit and other applicable guidelines for loans covered under "Qualifying Assets" regarding their contribution towards the co-lended loan. It is envisaged that the benefit of low cost funds from banks and lower cost of operations of NBFCs would be passed on to the ultimate beneficiary through the blended rate/ weighted average rate. In this regard, banks and NBFCs shall provide all the information like loan details including interest rate and other charges, details of risk sharing arrangement, etc., as and when called for by the Reserve Bank of India.

The NBFCs would have the flexibility to price their part of the exposure, while bank shall price its part of the exposure in a manner found fit as per their respective risk appetite/ assessment of the borrower and the RBI regulations issued from time to time.

An indicative illustration for arriving at the single blended / weighted average rate is mentioned below. However, notwithstanding the charging of a single blended / weighted average rate of interest from the borrower, the repayment/ recovery of interest shall be shared between the bank and the NBFC in proportion to their share of credit and interest.

a. Illustrative calculation of blended rates:

Scenario 1: Fixed Interest Rates

	Example 1		Example 2	
Blended interest rate calculations	**Bank**	**NBFC**	**Bank**	**NBFC**
Benchmark Interest Rate	8%	9%	8%	9%
Spread	2%	3%	2%	3%
Interest rate to customer	10% (A)	12% (B)	10% (A)	12%(B)
Loan contribution ratio	80% (C)	20%(D)	70%(C)	30%(D)
Blended interest rate (A*C)+(B*D)=E	10.40%		10.60%	

Scenario 2: Floating Interest Rates

	Example 1		Example 2	
Change in weighted Average interest rate	**Bank**	**NBFC**	**Bank**	**NBFC**
Benchmark Interest Rate	8%(A)	9%(B)	8%(A)	9%(B)
Loan contribution ratio	80%(C)	20%(D)	70%(C)	30%(D)
Weighted Average Benchmark Interest Rate (X= A*C + B*D)	8.20%		8.30%	
Spread	2%(E)	3%(F)	2%(E)	3%(F)
Weighted Average Spread (Y=E*C+F*D)	2.20%		2.30%	
Weighted Average interest rate offered to customer at the time of disbursement (X+Y)	10.40%		10.60%	
Change in Benchmark Rate	0% (F1	+1%(G1)	0%(F1)	+1% (G1)
Revised weighted average benchmark interest rate X' = [(A+F1)*C+(B+G1)*D]	8.40%		8.60%	
New weighted interest rate (X'+Y)	10.60%		10.90%	

3.3 *Know Your Customer (KYC):*

The Bank shall adhere to applicable KYC guidelines, as prescribed by Department of Banking Regulation (DBR)/ Department of Non-Banking Regulation (DNBR) vide Master Directions – KYC, 2016 i.e. RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated 25.02.2016 and updated from time to time are to be done, which already permit regulated entities, at their option, to rely on customer due diligence done by a third party, subject to specified conditions.

e-KYC based on Aadhar authentication/digital verification of KYC and digitally signed documents may be accepted.

Bank may accept the VKYC (Video KYC).

3.4 *Customer Service:*

The NBFC shall be the single point of interface for the customers and shall enter into a loan agreement with borrower, which shall clearly contain the features of the arrangement and the roles and responsibilities of NBFC and Bank.

All details of the arrangement shall be disclosed to the customers upfront and their explicit consent shall be taken.

The extant guidelines relating to customer service and Fair Practices Code and the obligations enjoined upon the bank and NBFC therein shall be applicable mutatis mutandis in respect of loans given under arrangement.

3.5 *Grievance Redressal:*

i) It shall be the responsibility of the NBFC to explain the end to end process & procedure to borrowers regarding difference between products offered through the co-lending model as compared to its own products.

ii) The front-ending lender will be primarily responsible for providing the required customer service and grievance redressal to the borrower.
iii) Any complaint registered by a borrower with the NBFC shall also be shared with the bank and in case, the complaint is not resolved within 30 days, the borrower would have the option to escalate the same with concerned Banking Ombudsman/ Ombudsman for NBFCs or the *Customer Education and Protection Cell (CEPC)* in RBI.

3.6 Loan Sanction:

Bank shall co-lend with NBFCs under a CLM involving sharing of Risks & rewards, ensuring appropriate alignment of respective business objectives as per mutual agreement, minimum share of NBFC being 20%.

Bank shall have two options for sanction of loan under CLM:

i) Irrevocable Commitment on part of the bank to take into books its share of individual loans as originated by NBFCs

ii) Discretionary arrangement on part of the Bank to take portion of the loans originated by NBFCs. This should be done in compliance with the RBI guidelines on Transfer of Assets through Direct Assignment.

The Master Agreement entered into with NBFCs for implementing the CLM may provide either to mandatorily take our share of individual loans as originated by the NBFCs in our books or retain the discretion to reject certain loans subject to its due diligence.

<u>3.6.1</u> Irrevocable Commitment:

(a) If the Agreement entails a prior, irrevocable commitment on the part of Bank to take into our books, our share of individual loans as originated by the NBFC, the arrangement must comply with the extant guidelines on Managing Risks and Code of Conduct in outsourcing of financial Services by Banks issued by RBI vide RBI/2014-15/497/DBR No. BP:BC:76:/21.04.158/2014-15 dated March 11, 2015 and updated from time to time. In particular, there should be suitable mechanisms for ex-ante due diligence as the credit sanction cannot be outsourced under the extant guidelines.

(b) Compliance of the Master Directions – KYC, 2016 issued by RBI vide RBI/DBR/2015-16/18 Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated 25.02.2016 and updated from time to time is to be done, which already permit regulated entities, at their option, to rely on customer due diligence done by a third party, subject to specified conditions.

3.6.2 Discretionary Arrangement:

(a) If the Bank exercises its discretion regarding taking into its books the loans originated by NBFCs as per Agreement, the arrangement will be akin to a direct assignment transaction. Accordingly, compliance with all the requirements in terms of Guidelines on Transactions Involving Transfer of Assets through Direct Assignment of Cash Flows and the Underlying Securities issued by RBI and as updated from time to time are to be ensured, with the exception of Minimum Holding Period (MHP) which shall not be applicable in such transactions undertaken in terms of CLM.

Under the discretionary arrangement on part of the Bank to take portion of the loans originated by NBFCs. Bank may perform any of the below mentioned additional due diligence for the loans acquired through this arrangement:

- Sending of information about the co-lending arrangement through SMS/Email/Letter etc.
- Welcome call on registered mobile number.

(b) The MHP exemption shall be available only in cases where the prior agreement with NBFC contains a back-to-back clause and complies with all other conditions stipulated in the guidelines for direct assignment.

(c) Based on above mentioned RBI Guidelines regarding Direct Assignment, our bank has formulated policy named ‘Policy for Transfer of Loan Exposures (Standard Assets)’.
The applicable guidelines for Direct Assignment under CLM, shall be referred from above said policy, as updated from time to time.

3.7 ESCROW Account:

The Bank and NBFC shall maintain each individual borrower’s account for their respective exposures. However, all transactions (disbursements/ repayments) between the bank and NBFC relating to CLM shall be routed through an Escrow account maintained with the bank, in order to avoid inter-mingling of funds. The Master Agreement shall clearly specify the manner of appropriation between the co-lenders. The NBFC should be able to generate a single unified statement of the customer, through appropriate information sharing arrangements with the bank.

Bank is required to maintain respective individual account (their own share) in their Core Banking.

3.8 *Monitoring & Recovery:*

Both lenders shall create the framework for day to day monitoring and recovery of the loan, as mutually agreed upon.

3.9 *Security and Charge Creation:*

The NBFC shall arrange for creation of security and charge as per mutually agreeable terms, for the Bank's share also.

3.10 Provisioning / Reporting Requirement:

Bank & NBFC shall adhere to the asset classification and provisioning requirement, as per the respective regulatory guidelines applicable to each one of them including reporting to Credit Information Companies, under the applicable regulations for its share of the loan account.

3.11 Assignment / Change in Loan Limits:

Any assignment of loans by any of the lenders to a third party can be done only with the mutual consent of both the lenders. Further, any change in loan limit of the co-lended facility can be done only with the mutual consent of both the lenders.

3.12 Inspection & Audit:

The loans under the CLM shall be subjected to periodic internal / statutory audit within Bank and NBFC to ensure adherence to its internal guidelines, terms of the agreement and extant regulatory requirements.

3.13 Additional loan to borrowers under Co Lending:

The borrowers can be given fresh loan separately from the Bank or NBFC/HFC by assessing the proposal on merits.

The borrowers can be given top-up/enhancement under co-lending arrangement based on merits.

The Bank may be allowed to takeover/buyback the outstanding amount with enhancement/top up, as per Bank's extant guidelines on Sole Lending, of co lended loans in case there is a threat of takeover by other lenders subject to: (a) Mutual consent of both the lenders (b) Merit/Compliance of eligibility in terms of Bank's guidelines/policies. (c) Satisfactory written evidence of threat of takeover.

3.14 Business Continuity Plan:

Both the bank and the NBFC shall implement a business continuity plan to ensure uninterrupted service to the borrowers till repayment of the loans under the co-lending agreement, in the event of termination of co-lending arrangement between the co-lenders.

4. TERMS & CONDITIONS FOR CLM

4.1 Selection criteria of NBFCs:

Under this Policy, Bank will enter into Co-Lending arrangement with NBFCs who are seasoned market players with satisfactory track record and good market reputation. The proposed NBFCs should meet the following criteria (in continuation with the existing Co-Lending Policy):

i) Registered NBFCs including Housing Finance Companies (HFCs)

ii) Minimum 5 years into the establishment of the product range for which Co-Lending is proposed.

iii) Minimum external rating of A or equivalent.

iv) Required technological platform to maintain accounts and exchange necessary MIS.

v) Delinquency in the portfolio of the product in which Co-Lending is proposed should not exceed 5% in GNPA.

vi) NBFCs should comply all the guidelines laid down by RBI and other regulatory authorities issued from time to time including Regulatory Capital norms, Liquidity Mismatch analysis etc.(as certified by professional CMA/CA/CS)

vii) During last two years, Capital Adequacy ratio to be above 2% of the minimum capital requirement as laid down by RBI for NBFCs.

viii) NBFCs should be able to generate a single unified statement of the customer, through appropriate information sharing arrangements with the Bank.

ix) Co-lending arrangement with a NBFC belonging to the promoter Group shall not be allowed.

4.2 Co -Lending Product:

Detailed products, processes etc. will be finalised after discussion with the proposed NBFC, on case-to-case basis, keeping in view its target segment, area of operations, other operational issues etc. A Mutually agreed product program will be decided for every NBFC determining the model of sourcing, pricing, lending, collection and recovery mechanism, servicing fees etc. duly approved by respective competent authority (as mentioned herein after at para no.5). Tenure of such product program may be mutually agreed upon and to be incorporated in the Co-Lending Master Agreement by the lenders.

The common lending program (CLP) guidelines and SOP shall be the sole guiding document/paper. Accountability of BoB officials to be limited to compliance of SOP and CLP guidelines.

4.3 Scorecard

Presently, BOBICON is Bank's internal credit rating Model. Under co-lending arrangement, wherever credit scoring model is available (mutually aggregable) and not linked with pricing, BOBICON credit rating is waived off and scoring model is to be used. However, the Scoring model should be approved from RMCB.

4.4 Common Lending Framework for Co-lending

To accelerate and finalize various co-lending partnerships to on-board respective NBFCs simultaneously, a common framework for product and processes for the co-lending arrangements has been approved by Credit Policy Committee. This will avoid duplication and repetitive administrative approvals. No separate approval to be obtained for product and process already approved under common lending framework/broad parameters. However, in case of deviations from already approved product and process, approval for deviations to be obtained from Sub-committee of CPC.

Any new common lending program approved by Sub Committee of CPC shall become part of common lending framework.

4.5 Process in brief:

- Selection of NBFC as per eligibility criteria
- NDA execution with proposed partner
- Adaptability check of the product under co-lending.
- Approval for partnership, permission to execute Master Co-lending Agreement and commercials from Vertical ED
- Approval of Common lending Program from competent authority.
- Approval of score-card from RMCB, if applicable
- Vetting of partnership agreements and loan agreement drafts from Legal Officer / Legal Department of Bank
- RCSA Matrix finalization for process, if applicable.
- Process approval from Sub-committee of CPC for co-lending, if applicable.
- SOP approval from interdepartmental committee.
- Execution of Master Agreement with NBFC
- Commencement of business as per SOP

4.6 Documentation:

Any legal document including Master Agreement, Facility Agreement and any document having legal implication under this arrangement would be finalized in consultation with NBFCs and would be vetted by our Bank's Legal Department or Solicitor/ Advocate on the Bank's approved panel list.

i) Master Agreement: A Master Agreement shall be entered into with NBFCs which shall inter-alia include, terms and conditions of the arrangement, the criteria for selection of partner institutions, the specific product lines and areas of operation, along with provisions related to segregation of responsibilities & dispute resolution as well as customer interface and protection issues.

The Master Agreement shall contain necessary clauses on representations and warranties which the originating NBFCs shall be liable for in respect of the share of the loans taken into its books by our Bank.

All Legal Modalities would be covered under this definitive agreement with the NBFC and vetted by our legal department or Solicitor/ Advocate on the Bank's approved panel list.

ii) Loan documents: Loan agreements shall be drafted and finalised in consultation with NBFCs and would be vetted by Bank's Legal Officer /Legal Department.

Loan Application and loan document set of NBFC partner may be adopted for respective partnership transactions subject to vetting from Bank's Legal Officer/ Legal Department BCC.

Bank may entrust the NBFC (through a Power of Attorney) with the responsibility of execution of documents on bank's behalf. However, indemnity from the NBFC to cover the loss to the Bank in case of failure by NBFC in duly performing its duty to be obtained. Further, this arrangement to be captured in the Master Agreement with NBFC.

In all cases, disbursement of the loan would be done after the legal vetting of the documents by Bank's Legal Officer/ CMO/ Empanelled Advocate, as per extant Bank guidelines.

Further, the vetting of documents based on scanned copies may be allowed on case-to-case basis.

4.7 Co-branding of documents:

NBFC being the front ending partner and representing both the lenders in front of the customer, it is desirable for all the parties to have a co-branded set of documents to smoothen the process for customer facilitation and awareness.

Common Documents include but not limited to – Application form, Sanction letter, Facility Agreement and/or any other document communicated to the customer having any legal implication.

Co-branding of documents may not be applicable for “Option 2” i.e akin to DA arrangement.

4.8 Standalone sanction of Co-Lended loan:

If any existing borrower of the Bank is sourced by NBFC, then facility under Co-Lended loan will be assessed & sanctioned on standalone basis i.e. without linking the existing individual / group with the Bank for the purpose of Discretionary Lending Power (DLP), subject to:

i) The Sanctioning authority of Co-Lended loan shall ensure that the conduct of the borrower / group account is satisfactory and regular review of facilities is not pending for the concerned borrower.
ii) The recommendation / views of the concerned branch of the borrower is obtained.

Authorities to present the agenda notes pertaining to Sanction/Deviation/Modification of proposals beyond the DLP of Samanvay Cell (Upto COCC-ED) are as under:

Committees	Sponsor	Presenter
COCC-DGM	AGM Co-lending, BCC. or Head- Samanvay (min AGM rank) in absence of AGM co-lending, BCC	Head- Samanvay (min AGM rank) or AGM – Co-lending, BCC.
COCC-GM	Head-Co-Lending (min DGM Rank) or Dy Head Co-lending (min. AGM Rank) in absence of head – co-lending	Head – Co-lending (min DGM Rank) Or Dy Head Co-lending (min. AGM Rank)
COCC-CGM	CGM (with portfolio of co-lending) or Head-Co-Lending (min DGM Rank) in absence of CGM (with portfolio of co-lending)	Head – Co-lending (min DGM Rank) Or Dy Head Co-lending (min. AGM Rank)

COCC-ED	CGM (with portfolio of co-lending) or Head-Co-Lending (min DGM Rank) in absence of CGM (with portfolio of co-lending)	Head – Co-lending (min DGM Rank) Or Dy Head Co-lending (min. AGM Rank)

4.9 Safe custody of documents:

As per bank's present practise, the documents executed in the respective branch are kept with branch itself.

Since, it is a co-lending arrangement, the documents may be kept under a third party repository as mutually agreed upon making it convenient for retrieval. Safe custody of loan/security documents can also be kept with the NBFC partner. Both these options will be subject to the conditions that duly attested/certified scanned copies of all the executed documents will be provided to our bank and shall be vetted by the legal officer of bank before disbursement.

However, the Master Agreement should inter-alia contain the suitable clauses including indemnity clause along with right to retrieve the documents (jointly with NBFC or individually by Bank, as applicable) from the third party repository.

Suitable clauses should be incorporated in the agreement to ensure that in case of liquidation of NBFC or if otherwise required by Bank, all the documents should be retrieved as and when required by the bank within a certain time frame.

4.10 Cross Sell:

Bank shall have rights to cross sell its/associates/ JV's products to the canvassed customers under the Co-lending Model program, extent of which would be detailed in the proposal to be approved/sanctioned by the competent authority/ Master Agreement duly vetted by legal department, BCC or Solicitor/ Advocate on the Bank's approved panel list.

5. APPROVING AUTHORITY STRUCTURE:

The authorities for approval and considering the deviations for onboarding the partner are as under:

Approval For	Authority
Entering into Co-Lending arrangement and / or Master Agreement by Vertical Head	**Executive Director** of the concerned Vertical
Commercials for pay out (sourcing fee, collection fee etc.) to NBFC	**Executive Director** of the concerned Vertical

The product & process related modalities (as per mutually agreed terms with individual NBFC).	**Sub Committee of CPC.** *(Product and process already approved under CLF does not require further approval. Vertical can decide the modalities within approved CLF without dilution)*
**RCSA approvals for co-lending products/processes to be taken as per existing guidelines. Approving authority of RCSA is Sub committee of CPC.*	
Deviation in eligibility criteria for selection of NBFC in this Policy	**Executive Director** of the concerned vertical
Approving authority for Quantum of amount of co-lending arrangement with each of the NBFC	**Sub Committee of CPC**
Scorecard	**RMCB**
Approval of detailed SOP	**Inter Departmental Committee for SOP**

5.1. Structure of Co Lending vertical:

Head- Co Lending (GM Level)

Dy. Head- Co Lending (AGM /DGM Level)

Centralized Co Lending Cell- AGM Headed

Underlying team at BCC

Underlying team at Co Lending Cell

- Head- Co Lending is majorly responsible for overall business growth under Co Lending segment whereas Dy Head Co Lending is responsible majorly for partner onboarding, digital integrations, compliance, portfolio quality, monitoring, approvals, product and processes etc.
- Centralized Co-Lending Cell is responsible majorly for Undertaking loan proposals acceptance, Processing, Sanctioning, Disbursement, Monitoring & Reconciliation. The cell is named as “Samanvay Cell" and is headed by an AGM, presently located at Gandhinagar. Samanvay Cell may be relocated in the interest of Bank with the prior approval from Vertical head. Head of the Samanvay Cell to be treated at par with Head of SME/SMS/RAPC/CPC.
- Presently, Broad reporting structure of Co Lending Vertical is being followed as under:

Official	**Reporting To**
CGM In charge of Co Lending Vertical	ED in charge of Co Lending Vertical
GM/Head- Co Lending	CGM In charge of Co Lending Vertical
Dy Head- Co Lending (Min AGM Rank)	GM/Head- Co Lending
Head- Samanvay Cell (Min AGM Rank) If Head-Samanvay Cell is in the rank of Chief Manager.	Head Co-Lending / Dy. Head Co Lending (Min. DGM Rank) Dy.Head Co Lending (Min one Rank above Head-Samanvay Cell)

6. MISCELLANEOUS

- Vertical Head/DGM/GM/CGM with appropriate capacity may be the competent authority for signing the tie-ups, signing of agreements with NBFCs/HFCs etc. after following the due processes.
- The NBFC shall be single point of interface for the customers. Bank may accept the VKYC carried out by the NBFC/HFC subject to its satisfaction.
- Processing fee, documentation and any other fee/service charges applicable for the loan sanctioned to the ultimate borrower as per the schedule of charges for the co-lending arrangement shall be collected from the Borrower and appropriated as per the mutually agreed terms as incorporated in master agreement between Bank and NBFC/HFC.
- Stamp duty, legal expenditure, valuation fee, mortgage charges etc, shall be borne in terms of agreed commercials.
- The responsibility of collecting the above fee/charges shall be vested with NBFC/HFC.
- Any other charges, if applicable will be decided mutually between co-lending lenders and communicated to the ultimate borrower.
- Review of co-lending portfolio with each HBFC/HFC shall be done on need based/half yearly basis/at the time of annual review.
- Loan under co-lending model is different from loan under direct lending by Bank. The policy on Co-lending model would be a standalone policy and be governed by extant Co lending policy as per the applicable RBI guidelines.
- Before putting up the proposal for on-boarding, additional due diligence of the NBFC/HFC may be conducted on the following parameters namely;
    - NBFC/HFC data analysis based on key information/data of the portfolio provided by them.
    - Visit to NBFC/HFC place by BOB officials to satisfy on Credit Processes, Human Resource, Collection mechanisms and Technical capability.
    - CERSAI registration/Charge creation on ROC/Charge on Hypothecation of Vehicle will be done by NBFC/HFC for 100% amount. NBFC/HFC shall share the necessary details to BOB after registration. Confirmation of above is to be taken from NBFC/HFC within a specific timeline. Monitoring of the same shall be done by Bank.
- The legal documents viz. Loan Agreement, Hypothecation Agreement, Deed of Guarantee, Mortgaged Documents, Undertakings etc. and other documents as per product will be obtained from the borrower.
- The Bank/NBFC will explore the possibility of appointment of trustee for the documentation and security creation.
- The documentation will be kept with the NBFC/Bank/Third Party and the security charge (in case of secured assets) will be assigned to the Bank.

7. VALIDITY PERIOD OF POLICY:

- The Policy shall be valid upto 3 years from the date of approval however review may be undertaken before due date, if there is any change in the regulatory guidelines or in Bank's internal guidelines.

- The Managing Director & CEO may allow continuation of the Policy for a maximum period of Three months after the due date of review in case the Policy cannot be reviewed on or before the due date.

- Any regulatory guidelines issued by RBI/ Government, post approval till the date of expiry of this Policy, shall form part of this Policy pending formal inclusion at the time of renewal of the Policy.

8. POLICY ADMINISTRATION AND REVIEW

The Policy is originally prepared by MSME vertical and further modified by Co-lending vertical which is also responsible for its ownership and maintenance. Any queries related to the Policy or request for any modification will be addressed by Co-lending vertical.

Enclosures:

Enclosure 1:	RBI guidelines for 'Co-Lending Model' (circular no. FIDD.CO.Plan.BC.08/04.09.01/2020-21 dated November 05, 2020)
Enclosure 2:	RBI Guidelines for Co-Origination of loans by Banks and NBFCs for lending to priority sector (circular no. FIDD.CO.Plan.BC.08/04.09.01/2018-19 dated September 21, 2018)