



## Most Important Terms and Conditions (MITC) for Fixed and Floating Rate Home loans.

### This MITC covers following loan products:

- i. Home Loan
- ii. Smart Home
- iii. Loan Against Property (LAP) (both residential and commercial properties)
- iv. Smart Loan Against Property (SmartLAP) (both residential and commercial properties)

#### 1. Fees and Charges: (Applicable to Fixed rate loans)

- A list of our fees and charges applicable on our Home Loan products are set out in the tariff section of this document and are also updated on our website ([www.hsbc.co.in](http://www.hsbc.co.in)). They are also available upon request at any of our branches across India.
- Please be advised that indirect taxes any other amount liable to tax under prevailing Indirect tax Laws would be recovered on all our fees and charges.
- For Additional information, you can visit any of our branches in India or call HSBC Phone Banking service.

<b>Tariff sheet</b>	
Home Loan/Smart Home/LAP/Smart LAP	
Processing Fee (PF) (Fixed and Floating rate Loans)	1% of the sanctioned loan amount or 10,000, whichever is higher, will be applicable as your PF plus applicable taxes* The fee will be collected from you in two parts: 5,000 plus applicable taxes is payable upfront along with the loan application and the balance PF plus applicable taxes* is payable before loan disbursement <b>Please note that the PF paid by you is non-refundable.</b>
Non-utilization Fee (Applicable only to Smart Home Loan and Smart LAP with Commitment Fee variant)	Up-to 1% fees on amount above 25% of the sanctioned amount In the event if the Excess Funds in the account are more than 25% of the sanctioned Amount ('Threshold limit'), then the Bank will charge a Non-utilisation fee/ Commitment fee of 1% p.a. on the balance amount maintained over and above the Minimum Threshold. Example - If non-utilisation/Commitment fee fees is 1%, original sanctioned amount is 2,000,000 and limit defined as 25% i.e. 500,000/- In this scenario if the fund in the account is ₹600,000, then the non-utilisation fees/Commitment fee of 1% will be charged on 100,000. (This is for illustration purpose only)
Penal interest on the delayed instalments on account of cheque bounce or dishonoured Standing Instruction and on overdue submission of Post Disbursement documents (PDD) on Fixed and Floating rate Loans.	Penal Interest has been discontinued effective 1st January 2024. The Bank however, reserves the right to review its exiting fees and charges and introduce suitable Penal Charges for non-compliance to key terms and conditions in the loan agreement, after giving prior notice to borrowers.

Prepayment Charges (Floating rate loans):	NIL
Prepayment Charges (Fixed rate loans):	5% of the principal outstanding balance/amount prepaid. Note: Prepayment charge will be applicable in the following scenarios: i) A bulk payment (over and above EMI) that results in a drop in account limit. ii) Any mid-term changes to the fixed rate loan account (for example: switching from fixed rate to variable rate type etc.). iii) The entire fixed rate home loan being paid off before the end of the fixed rate period.
Switching charges:	(i) Floating rate to Fixed rate: ₹5,000/- (ii) Fixed rate to Floating rate: ₹5,000 + 5% of the principal outstanding balance.  <b>Note:</b> <ul style="list-style-type: none"> <li>Stamping/franking costs as applicable for switching, will be borne by the borrower.</li> <li>Switching from one variant (floating/fixed) to other variant will be allowed up to three times during the loan tenure.</li> <li>The first switch will be permissible 12 months after date of disbursement.</li> <li>A gap of a minimum of 12 months will be required between two switches.</li> <li>Existing borrowers opting to switch from floating to fixed rate loan may be required to submit their latest income documents for fresh credit assessment or make a part-payment to maintain loan affordability.</li> <li>Upon switching from floating rate to fixed rate, the loan tenure on the fixed rate loan would be capped at the residual tenure on the existing (floating rate) loan, subject to maximum of 240 months.</li> </ul>

\*Please note that basis Goods and Services Tax (GST) regulations and notified GST rates, Central GST and State/Union Territory GST or Inter- State GST, as applicable, would apply on all our fees and charges with effect from 1 July 2017

**Note:**

We reserve the right to vary charges or fees from time to time by giving you prior notice of not less than 30 days for any variation affecting fees and charges under our control or affecting your liabilities or obligations or for such reasonable period as we may specify in the case of other variations. We will immediately update, on our website, any changes to the tariff. If we have made any change without notice, we will notify the change within 30 days. If such change is to your disadvantage, you may within 60 days of the notice, close your account without having to pay any prepayment charge. We would not be bound by a month's notice for change in interest rates or any charge levied as a result of regulatory requirements.

**Floating Rate Loans**

- The interest rate on your floating rate loan, is linked to the Bank's Repo Linked Lending Rate (RLLR). Any revision in the Repo Linked Lending Rate (RLLR) would also have an impact on your interest rate.
- A revision in RLLR, MCLR or any other floating rate benchmark would typically lead to a revision in the Home Loan tenure, and the EMI would remain constant, however, the Bank reserves the right to change the loan EMI/tenure or a combination of both, which will be duly communicated to you via email or SMS.
- For processing prepayment requests, you are required to send, a written instruction communicating your desire to prepay and intent of reducing either of the loan tenure or EMI.

In the absence of clear instruction, we would by default reduce the loan tenure. In case excess funds are received towards the loan account without any written instructions to prepay, for Smart Home Loans/Smart LAP, the amount will be credited to the Smart Home/Smart LAP account which will impact the available balance in the account.

#### Fixed Rate Loans

- a) Fixed rate loans are capped at a maximum tenure of 240 months.
- b) Fixed rate loans will be priced at the fixed rate of interest announced by the Bank from time to time.
- c) Switching from one variant (floating/fixed) to other variant will be allowed up to three times during the loan tenure.
- d) The first switch will be permissible 12 months after date of disbursement.
- e) A gap of a minimum of 12 months will be required between two switches.
- f) The pricing for the fixed rate loans is expected to be higher than floating rate loans. Due to rate differential and relatively lower maximum tenure on fixed rate loans (implying higher EMI), existing borrowers opting to switch from floating to fixed rate loan may be required to submit their latest income documents for fresh credit assessment or make a part-payment to maintain loan affordability.
- g) Fixed rate loans are currently available under Normal Home/Normal LAP variants only. Borrowers running a Smart Home/LAP will need to convert to a Normal Home Loan/LAP variant if they wish to avail the fixed rate option. Applicable conversion and switch charges will apply.
- h) Upon switching from floating rate to fixed rate, the loan tenure on the fixed rate loan would be capped at the residual tenure on the existing (floating rate) loan, subject to maximum of 240 months.

#### Service charges for all products

Request for copy of property documents held with the Bank	₹500/-
<b>Legal and Other Miscellaneous charges:</b> Expenses incurred on proceedings under SARFAESI Act/proceedings under Section 138 of NI Act and/or other litigation on the account.	As per actuals applicable to an overdue/delinquent account.
<b>Conversion Fees</b>	₹5,000 plus applicable taxes are payable at the time of converting the loan from Normal to Smart, Smart to Normal or within different variants of Smart loan.
<b>Switching Charges</b> <b>Benchmark rate change from RLR/MCLR/Base rate/ to Repo Linked Lending Rate.</b>	₹2,500/- Existing loans (disbursed till 30 Sep 2019) which are linked to MCLR, Base Rate, RLR are eligible to switch to RBI's Repo Linked Lending Rate.

#### 2. Services Offered\*

Request for change of EMI date, rescheduling of loans (increase/decrease in EMI/tenure).
Request for daily interest calculation details.
Request for duplicate amortisation schedule.
Request for duplicate copy of welcome pack (amortisation schedule plus key fact statement plus list of documents).
Re-pricing request for an active account.
Request for change of Standing Instructions, change of repayment mode (cheque swap charges).
Copy of track record.
Copy of Credit Information Report (CIR).
*The services offered in this section are currently not chargeable to you.

### 3. Interest

- On a monthly basis, you would be required to repay the principal amount of the loan and interest on the loan at the rate as set out in the agreement.
- Interest on your loan accrues on a daily basis on the total outstanding balance on that day, and is compounded and will be payable monthly on EMI dates as mentioned in point No 4 herein.
- If your Equated Monthly Instalment (EMI) date falls on a Sunday/public holiday, your interest will be calculated inclusive of that day and debited on the next working day.
- The interest rate on the Floating Rate Loan which is linked to HSBC's published Repo Linked Lending Rate (RLLR) will undergo re-pricing (i.e. upwards or downwards as the case may be) in line with the movement of the RLLR. Repo rate is normally reviewed by the Monetary Policy Committee at intervals of two months. In case of change in Policy Repo Rate, RLLR will be changed in the beginning of the following month (by 7th calendar day of the following month). Consequent upon any change in RLLR, the rate of interest of loans linked to RLLR will undergo a change. The RLLR is published by HSBC at the beginning of every month, which will be the benchmark rate for loans that are disbursed in that month.
- The floating rate of interest on all the loans linked to RLLR disbursed by HSBC will be reset on the month following the announcement by RBI on change of policy repo rate. The reset will be done by the 7th calendar day of the month. (refer to the example below).

#### Example:

A RLLR Linked Home Loan disbursed during Month 1 will be benchmarked against the RLLR of Month 1. The policy repo rate is reviewed by the RBI in the Monetary Policy Committee every 2 months. If the repo rate is changed by the RBI in month 1, the interest will be reset in Month 2 against the revised RLLR at the beginning of Month 2 (by the 7th calendar day of Month 2). If the repo rate is changed by the RBI in month 2, the interest will be reset in Month 3 against the revised RLLR at the beginning of Month 3 (by the 7th calendar day of Month 3)

- A revision in rate of interest would typically lead to a revision in the Home Loan tenure, and the EMI would remain constant, however, the Bank reserves the right to change the loan EMI/tenor or a combination of both, which will be duly communicated to you via email or SMS.
- The revised loan interest rate will be notified to you by SMS, or E-mail or letter as per HSBC's prevailing policy; however, SMS will be the preferred mode.
- The applicable rate of interest rate on your loan is linked to the RLLR plus the margin (spread). The margin charged to you will not be increased throughout the tenure of the loan, except on account of deterioration in the credit risk profile of the borrower.
- Your Smart LAP/Smart Home account can be used for other regular banking transactions. Excess funds over and above the EMI parked by you into the account will result in savings on interest as the account will compute interest only on the net ledger balance on a daily basis. This interest offset enables you to reduce the interest paid and thereby resulting in a reduced tenure of the loan.
- However, in the event the Excess Funds in the SHCF/SLCF account are more than the threshold Limit then the Bank will charge Non-utilization/Commitment Fee as mentioned and agreed in the Key Fact Statement.
- The Customer acknowledges that the bank has discretion to change Non-utilization/Commitment fee or 'Threshold Limit' basis internal review with prior notification to the customer.
- Interest payment – The interest will be levied once in a month and will be computed on the daily outstanding ledger balance basis the actual number of days in the year. This interest amount will be debited to the Smart Loan itself thereby recovering the interest component of the EMI. For interest servicing loans, only interest will be due for payment. If there is excess funds over and above the EMI in the smart loan then the monthly EMI will be adjusted from the excess funds parked in the account every month, till this excess balance is fully exhausted. The smart loan will remain Standard till such time that the EMI is being serviced from the excess funds parked in the account. If the Borrower(s) does not deposit any funds into the smart loan for EMI recovery in a particular month, and if the interest debited for the month results in the smart loan ledger balance exceeding the account limit, the account will be shown as a delinquent account. The normal Interest rate and the overlimit Interest rate on the account will be kept the same procedurally and no additional (penal) interest will be levied.

#### Changes in the rate of interest

- Your floating interest rate loan is linked to the Repo Linked Lending Rate (RLLR). Any change in the RLLR would also have an impact on your rate of interest of your loan
- A revision in rate of interest would typically lead to a revision in the Home Loan tenure, and the EMI would remain constant, however, the Bank reserves the right to change the loan EMI/tenor or a combination of both, which will be duly communicated to you via email or SMS.

#### 4. EMI Date

- Your EMI date would be either the 1st or the 15th of every month following the month of disbursement. For loans disbursed between the 1st and the 15th, the EMI would fall on the 1st of the next month and for loans disbursed between the 15th and the 31st of the month, the EMI would fall on the 15th of the next month.

#### 5. Conditions for disbursement

- We may disburse the quantum of loan in lump sum or in instalments, at our own discretion depending on whether the property is under construction or complete in all respects or existing for a certain number of years as acceptable to our internal policies
- We would also be at liberty to disburse the loan amount directly to the builder/seller/society as the case may be and as requested/specified/ directed by you. We will not be responsible/liable in any manner whatsoever for any delay from your side in providing such request/specification/ direction. You will not claim any costs, charges and expenses in relation to any non-disbursement by us, due to any such delay from your side. If you authorise us to handover the disbursement proceeds to the aforesaid persons directly, then after such disbursement as per your instructions, we will be discharged from our liability to make the disbursement
- We would be free to stop disbursements of further instalments, on happening of any of the events which will affect the security created in any way, i.e. due to stoppage of construction, delay in construction, litigation, acquisition, requisition, reduction in the value of the security offered, on happening of any events as stipulated in the loan agreement under the heading 'Events of default' or for any other reason as deemed fit by HSBC
- Disbursements under the loan shall be made subject to fulfilment and compliance with the terms and conditions of the agreement for loan and furnishing of all other standard documents and writings executed by you and as specified by HSBC, including the following:
  - a. No event of default has occurred or is subsisting.
  - b. You furnishing an evidence that the disbursement requested by yourselves is required for the purpose for which the loan was initially approved.
  - c. You furnishing such documents, evidences and writings as may be required in connection with the requested disbursement.
  - d. No circumstances shall have occurred which in our opinion, may make it impossible for you to fulfil the obligations under documents executed or under the terms and conditions of the agreement for loan or other standard documents executed by you for availing of the loan.
  - e. You delivering the evidence to our satisfaction that all consents, approvals and permissions required to avail of the loan and to comply with all documentation related to availing of the loan including creation of security, is completed.
  - f. You need to obtain Collateral insurance for the property with an insurance company at all times during the loan tenure, against loss by Fire, Lightning, Implosion/Explosion, STFI (Storm/Tempest/Flood/Inundation), Impact Damage due to Accident, RSMD (Riot/Strike and Malicious Damage), Subsidence and Landslide including Rockslide, Aircraft Damage, Missile Testing, Bush Fire, Bursting of Water Tanks, Leakage from Automatic Sprinklers, Earthquake and Terrorism, with The HongKong and Shanghai Banking Corporation Limited, India, as the beneficiary. It is mandatory to have policy cover for minimum of five years for residential property and one year for commercial property (or as advised by the Bank) at the time of disbursement and renewal thereafter to cover the remaining tenure of your loan. You are required to furnish copy of the insurance policy with respect to the property(ies) endorsed in favour of HSBC as the financier/mortgage. In case of non-renewal post the initial period the Bank may renew the policy on its own and cost of which may be recovered from the customer or charged to the loan account.
- The disbursement shall be deemed to have been made to the borrower(s) on the date of actual disbursement of the loan on HSBC's system or the date of the cheque or the payment advice whichever is earlier. Therefore, the interest on the loan shall accrue in favour of HSBC from the date of the disbursement or cheque/payment advice/pay order/transfer by HSBC whichever is earlier, irrespective of the time taken for the transit/collection/ realisation of the cheque/pay order by the borrower(s). The EMIs on the loan will commence based on the date of disbursement of the loan
- The disbursement shall be deemed to have been made to the borrower(s) on the date of actual disbursement of the loan on HSBC's system or the date of the cheque or the payment advice whichever is earlier. Therefore, the interest on the loan shall accrue in favour of HSBC from the date of the disbursement or cheque/payment advice/pay order/transfer by HSBC whichever is earlier, irrespective of the time taken for the transit/collection/ realisation of the cheque/pay order by the borrower(s). The EMIs on the loan will commence based on the date of disbursement of the loan

- In cases of under-construction properties, we shall have the discretion to disburse the loan without any conditions, however, we may exercise our discretion to disburse in certain circumstances, only after the construction/improvement of such property has commenced and you producing documentary proof to us. We shall make disbursements in stages as per the progress of work, in terms of our internal norms and guidelines. You shall not hold us responsible for any delay in the construction/giving possession of/completion of the property by the developer/builder/society to yourselves or for quality, condition, fitness of the property even if we may have approved/sanctioned any facilities to such developer/promoter/builder/ development authority or given you any information about such promoter/property/builder/development authority. You shall have to abide by all its obligations as required in case of availing of loan for an under-construction property
- The Home Loan for Under-construction property is disbursed in tranches and only interest will be levied on the loan amount disbursed till the time property is completed or upto 3 years from the date of disbursement of the first tranche, whichever is earlier
- On completion of the property or post 3 years from the date of first disbursement of the tranche, whichever is earlier, loan will get automatically converted from Interest servicing loan to EMI servicing loan without taking any consent of whatsoever nature from the Borrower(s). Conversion will happen without downsizing the sanctioned loan amount
- If loan is auto converted the EMI will be calculated as follows -
  - a. Normal Home Loan - the EMI will be calculated on the sanctioned loan amount. However, the interest will only be charged on the disbursed amount. The excess amount collected will be apportioned towards the principal outstanding which will lead to faster principal prepayment and closure of the loan
  - b. Smart Home Loan - the EMI will be calculated on the disbursed amount and not the sanctioned loan amount
- Once the loan is auto converted the Bank will intimate the customer with revised EMI amount and loan tenure.
- The standing instruction given by the borrower(s) to debit his/her/their savings/current account to recover the Pre- EMIs at time of disbursement of the first tranche will be used to recover the EMI post auto conversion of the loan from Pre-EMI to EMI Servicing
- After conversion of the loan to EMI Servicing loan, if the Borrower(s) wish avail further tranche disbursement or wish to downsize the loan, he/she/they need to inform the Bank in writing along with necessary documents as requested by Bank from time to time
- In case of future tranche disbursement post conversion to EMI Servicing, the account limit as well as the outstanding of the loan will increase by the tranche amount disbursed. This will lead to an increase in the EMI of the loan
- In case you wish to convert your loan to EMI servicing before property completion or 3 years from the disbursement of the first tranche (whichever is earlier) you should inform the Bank about the same in writing and also instruct the Bank to convert the Pre-EMI to EMI

## 6. Loan Disbursement

Your pre-approval expires after 120 days post which a fresh pre-approval will have to be sought. The pre-approval may be kept open at the Bank's sole discretion. We may at our sole discretion recall the loan offer/pre-approval at any point of time.

## 7. Repayment

- You need to repay the loan in monthly instalments on the EMI date as mentioned in point No 4 herein. You are required to repay the loan EMI through Standing Instruction from your HSBC account/letter of authority to debit your HSBC account
- Your instalment amount would comprise of principal and interest, that are payable in EMIs as set out in the loan agreement/Key Fact Statement
- For Smart Loans, the interest portion of the EMI will be debited to the smart loan account itself. The principal portion of the EMI will be recovered by auto reducing the smart loan limit on a monthly basis. You need to ensure the smart loan account is adequately funded for EMI repayment
- You would be required to pay outstanding balance, if any, pertaining to his loan account (after payment of all instalments) on the last EMI date as notified by us
- You would be required to pay the instalments, irrespective of you utilising any of the loan funds disbursed by HSBC from the loan account as per the disbursement advice signed by yourselves.
- You need to ensure that the repayment instrument/instruction is honoured Accordingly, you must ensure that:
  - a. Sufficient funds are available in the designated account to be debited.
  - b. You do not cancel or put stop payment on the cheques/instruments given towards the loan agreement.
  - c. You do not cancel or vary payment arrangement/Standing Instructions (unless required by us) given towards the loan repayment.
  - d. You do not close or change the account on which repayment instrument is drawn (unless you make an alternate arrangement for the repayment as agreeable to us).

## 8. Default

- In the event of default (i.e. non-payment of the EMI amount on the due date, or breach of any clause of the agreement), you will receive periodic reminders for outstanding payments on your loan account by post, telephone, e-mail, SMS / WhatsApp messaging and/or through third parties appointed for collection purposes to remind, follow-up and collect outstanding dues. Any third party so appointed, shall adhere to the Indian Banks Association's (IBA) code of conduct on debt collection. You may also refer to the 'list of collection agencies' at: <https://www.hsbc.co.in/regulatory-disclosures/>
- We will follow a defined process in accordance with our guidelines for recovery of dues. The process will involve sending you reminders via notice or by making personal visits and/or repossession of security. Our collection policy is built on fair treatment and persuasion
- As per The Reserve Bank of India guidelines, we provide credit information relating to any customer who has availed of a credit facility, to the Credit Information Companies [CICs] or any other licenced bureau on a monthly basis. The information provided reflects the status as at the previous month-end and includes information regarding whether the loan account is regular or delinquent. In the event a loan account is delinquent as of the date of such reporting and the account is subsequently regularised, the status of the account will only be updated prospectively, at the time of the next monthly reporting. As per CICs, all changes in your status are updated within a maximum of 30 days. To avoid any adverse credit history with CICs, you should ensure that timely payment of the amount due on the loan amount is duly made

## 9. Prepayment and foreclosure

- You can prepay/foreclose the loan by giving a notice in writing and pay in accordance with our rules of prepayment/foreclose, along with charges if any (Please refer to the Loans — Service Charges and Fees section of our website for more details).
- If you make a prepayment/pay towards foreclosure by cheque, the payment will take effect only when the cheque is cleared

## 10. Release of Movable/Immovable Property Documents

- Bank shall release all the original movable/immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/settlement of the loan account
- The original property documents submitted by you as security against your home loan would be returned to your preferred HSBC branch address as per sanction letter Or to the home-branch address or to your nearest HSBC branch (in the event of your preferred/home branch being non operational on the date of document release) for your collection within 30-days from the date of full repayment/settlement of the loan account for your collection

## 11. Compensation for delay in release of Movable/Immovable Property Documents

- In case of delay in releasing of original movable/immovable property documents beyond 30 days after full repayment/settlement of loan, the Bank shall communicate to the borrower reasons for such delay. In case the delay is attributable to the Bank, it shall compensate the borrower at the rate of ₹5,000 for each day of delay. Similarly, in case of delay in removal of charge from relevant registry beyond 30 days after full repayment/settlement of loan, the Bank shall communicate to the borrower reasons for such delay. In case the delay is attributable to the Bank, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
- In case of loss/damage to original movable/immovable property documents, either in part or in full, the Bank shall assist the borrower in obtaining duplicate/certified copies of the movable/ immovable property documents and shall bear the associated costs, in addition to paying compensation of ₹5,000 for each day of delay as indicated above. However, in such cases, an additional time of 30 days will be available to the Bank to complete this procedure and the delayed period compensation will be calculated thereafter (i.e., after a total period of 60 days).

## 12. Statement of account

- We will send across a half-yearly statement of the loan account at your correspondence address registered on the Bank's record. If you have signed up for Internet Banking and electronic statement, a paper copy will not be sent to your correspondence address. You can now instantly access and download the following statements for your active HSBC Home loan and Loan against property (LAP) account from the HSBC India Personal Internet Banking a) Interest certificate b) Provisional Interest Certificate c) Repayment Track record d) Amortization Schedule. If you do not have access to HSBC India Personal Internet Banking and wish to activate it, please call HSBC PhoneBanking or visit your nearest HSBC Branch and we will be glad to assist you. If you need a copy of the statement of account, you may call our PhoneBanking service or visit our branch and request for a copy subject to the applicable fee.

## 13. Know Your Customer/Due diligence requirement

- In line with the requirements of the HSBC's policy, the Know Your Customer (KYC) documents along with other documentation need to be submitted at the time of opening a new account or as and when requested by HSBC.

HSBC reserves a right to allow/restrict operations in a newly opened/ existing accounts maintained with HSBC, if the customer is not able to satisfy the due diligence requirements in line with the HSBC's policy. HSBC reserves a right to block transactions/allow operations in a newly opened/existing accounts maintained with HSBC, if the account deliverables/ welcome letter/welcome pack/bank correspondences not limited to account statements, etc., are returned undelivered and HSBC is unable to contact you at the address/contact number provided by you at the time of account opening/updated in HSBC's records.

#### 14. Sanctions

- HSBC and other members of the HSBC Group are required to and may take any action to meet Compliance Obligations relating to or in connection with the detection, investigation and prevention of Financial Crime (Financial Crime Risk Management Activity) and act in accordance with the laws, regulations and requests of public and regulatory authorities operating in various jurisdictions which relate to Financial Crime. . HSBC may take, and may instruct (or be instructed by) any other member of the HSBC Group to take, any action which it or such other member, in its sole and absolute discretion, considers appropriate to take in accordance with all such laws, regulations and requests. Such action may include but is not limited to (a) screening, intercepting and investigating any instruction, communication, drawdown request, application for services, or any payment sent to or by you, or on your behalf, (b) investigating the source of or intended recipient of funds, (c) combining customer information with other related information in the possession of the HSBC Group, and/or (d) making further enquiries as to the status of a person or entity, whether they are subject to a sanctions regime, or confirming your identity and status and (e) share information on a confidential basis with such HSBC Group offices whether located in India or overseas in relation to prevention of Financial Crime. Exceptionally, our Financial Crime Risk Management Activity may lead to us delaying, blocking or refusing the making or clearing of any payment, the processing of your instructions or application for services or the provision of all or part of the services. To the extent permissible by law, neither we nor any other member of HSBC Group shall be liable to you or any third party in respect of any loss (whether direct or consequential and including, without limitation, loss of profit or interest, however it arose) that was suffered or incurred by you or a third party, caused in whole or in part in connection with the undertaking of Financial Crime Risk Management Activity. In certain circumstances, the action which HSBC may take may prevent or cause a delay in the processing of certain information. Therefore, neither HSBC nor any member of the HSBC Group warrants that any information on the HSBC's systems relating to any payment messages or other information and communications which are the subject of any action taken pursuant to this clause is accurate, current or up-to-date at the time it is accessed, whilst such action is being taken. For the purpose of the present clause:

'Compliance Obligations' means obligations of the HSBC Group to comply with: (a) laws or international guidance and internal policies or procedures, (b) any demand or request from authorities or reporting, disclosure or other obligations under laws, and (c) laws requiring us to verify the identity of our customers.

'Financial Crime' includes money laundering, terrorist financing, bribery, corruption, tax evasion, fraud, evasion of economic or trade sanctions, and/or any acts or attempts to circumvent or violate any laws relating to these matters.

#### 15. Customer service

We're here to help

If you have any questions or would like further information, please contact your Relationship Manager who will be happy to help.

You can also,

- Call our PhoneBanking service or
- Visit us at any of our branches or

Please note that all grievance/escalations should be marked to:

The Nodal Officer,

The Hongkong and Shanghai Banking Corporation Limited, Rajalakshmi, No. 5 and 7 Cathedral Road, Chennai - 600 086, India.

Nodal Officer e-mail: nodalofficerinm@hsbc.co.in

You can call the team within Monday to Friday between 9:30a.m.- 6:00p.m. Contact number: 040-65118015/022-71728015.

Fax number: +91-022-66476011 and +91-022-49146011

#### 16. Disclosures

- You acknowledge our right to provide details of your account to third party agencies for the purpose of availing support services of any nature by us, without any specific consent or authorisation from you or any joint applicants/add-on customers.
- HSBC is required to provide information relating to credit history/repayment record of the customer to a credit information company (specifically authorised by RBI), in terms of the Credit Information Companies (Regulation) Act, 2005; including information relating to any default committed by the customer in discharge of the customer's obligation, as HSBC may deem appropriate and necessary, with any existing or future credit bureaus/credit reference agencies as determined by HSBC from time to time. Such entities may further make available processed information or data or products thereof to banks/financial institutions and other credit grantors.



- As per Indian Banks Association (IBA) guidelines, we provide information related to our charge on your property against the credit facility availed by you, to the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI). The information would reflect with CERSAI till your loan account is operational with us. We will de-register our charge on CERSAI records within 30 working days of your loan closure.
- We have right to recall the loan in the event of you failing to submit all/any post disbursement documents as prescribed by us.
- You should seek independent legal advice on the legal status of property being purchased. In case you approach our empanelled lawyer for legal advice, they will do so on their own volition and we shall not be held liable for any disputes that you may have with them

#### **17. Cross default and cross collateralisation**

- Your default on any other credit facility agreement or arrangement with the Bank or its successors-interest or with any of the affiliates or our Group companies, shall be deemed to be a default across all fund based or non-fund based facilities availed of by you with any of our entities. You agree that the securities charged with the Bank for different credit facilities, would be cross collateralized and in the event of such default, HSBC shall be entitled to exercise any or all our rights under the security documents executed by you with any of our Group entities.

#### **18. Tax representation**

- You are responsible for fulfilling any obligation that you may have with respect to the filing of returns or other required documentation in respect of and the payment of all relevant taxes, including, without limitation, all income, capital gains, wealth and estate duties, stamp duties and any other applicable taxes. The creation and continued operation of your account and/or the acquisition, holding or disposal of investments or assets in such account, as well as any income, distributions or losses realised in relation to the operation of the account may expose you to tax consequences depending on a number of factors including, but not limited to, your applicable domicile, your place of residence, your citizenship or the type of assets you hold in your account. Certain countries may have tax legislation with extraterritorial effect regardless of your place of domicile, residence or citizenship. The Bank does not provide any legal or tax advice and you should seek legal and/or tax advice from an independent legal and/or tax adviser. You acknowledge and agree that the Bank has no liability in respect of any of your tax obligations and/or any legal and/or tax advice provided to you by third parties.

#### **19. Smart Home/Smart LAP EMI calculation**

- Equated Monthly Instalment (EMI) and interest calculation: The EMI of the smart loan is calculated based on 372 days in a year (31 days in a month), however the interest will be computed on the daily outstanding ledger balance basis the actual number of days in the year. The principal amount will be the difference between the EMI and the interest amount calculated for the month. This approach implies that the principal component of a Smart Loan EMI is marginally higher than the interest component. This higher principal component in the EMI of smart loans results in a faster repayment of the loan.

#### **20. Change of correspondence address, email-ID and Mobile Number**

- To enable the bank to contact you for any important communication or announcement, you need to notify the Bank regarding any change of residential address, email-ID and Mobile Number due to relocation or any other reason and you need to get the new address, email-ID and Mobile Number updated in the Bank's system within one week of such a change.

#### **21. Foreign Exchange Management Act, 1999 (FEMA) guidelines for Non-Resident Indians**

Loans disbursed to you should not be utilised for any of the activities listed herewith; the business of chit fund, or nidhi company, or agricultural or plantation activities or in real estate business, or construction of farm houses; or trading in Transferable Development Rights (TDRs), investment in capital market including margin trading and derivatives. You are required to ensure that the loan amount disbursed to you is not remitted outside India. You should also ensure that the loan disbursed to you is not credited into your NRE/FCNR (B) accounts. Non-Resident customers can repay the Home Loans or Loan Against Property by one of the following modes only: Debit to their NRE Account/ NRO Account/Inward remittance/liquidation of FCNR/sales proceeds of immovable property on which loan was granted/Close relative's (as defined in Companies Act, 1956) bank account.

#### **22. Liberalised Remittance Scheme (LRS) guidelines**

- Please note that the Bank does not extend any kind of credit facilities to resident individuals to facilitate capital account remittance transaction under the Liberalised Remittance Scheme (LRS). Therefore, utilising the disbursed loan amount towards facilitating current account remittance transaction under the Liberalised Remittance Scheme (LRS) is prohibited.

#### **23. General points**

- You should read the application form, all loan facility related documents and the loan agreement carefully understand its contents before signing them. You should seek legal advice from your lawyers to ensure that you understand the contents and your obligations. These terms and conditions and those pertaining to any services provided by HSBC may, at the HSBC's sole discretion, be changed from time to time upon giving the account holder prior notice or by way of display in HSBC's premises/website. If the account holder has any objection pursuant to the change in the terms and condition, he/she can close the account or cancel the services prior to the expiry of the notice period, else the account holder shall be deemed to have agreed to such change.