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Policy for Matching Lenders and Borrowers

1. Introduction

This policy is formulated in accordance with the Reserve Bank of India's Master Directions for Non-Banking Financial Companies (NBFC) – Peer to Peer Lending Platform (P2P) (Reserve Bank) Directions, 2017, as amended from time to time. The purpose of this policy is to ensure that the process of matching or mapping lenders with borrowers on our P2P lending platform is conducted in a fair, equitable, and non-discriminatory manner.

2. Objective

The objective of this policy is to:

- Establish clear guidelines for the matching process between lenders and borrowers.
- Ensure that the matching process is free from biases, favoritism, and discrimination.
- Promote transparency in the matching process.
- Ensure compliance with regulatory requirements.

3. Principles of Matching

3.1 Equitable Matching

- The platform will ensure that all borrowers who meet the eligibility criteria as set out by the platform are given equal opportunities to be matched with lenders, regardless of their background, location, or socio-economic status, subject to risk, return expectations and tenure preferences provided by the lender.
- Lenders will have equal access to the full range of eligible borrowers based on the platform's established risk and credit criteria and lender's preferences.

3.2 Non-Discriminatory Practices

- The matching process shall be devoid of any form of discrimination, whether based on race, gender, religion, caste, or any other personal characteristic.
- All lenders and borrowers registered on the platform as well as registered through affiliate and/or service provider platforms shall be provided access to each other for negotiation.

3.3 Transparency and Disclosure

- The criteria used for matching lenders with borrowers, including credit scoring models, risk assessments, and interest rate determination methods, shall be clearly disclosed to all users of the platform.
- Both lenders and borrowers shall have access to relevant information about each other, within the limits of data privacy laws and RBI Master directions, to take an informed decision.

- Any changes to the matching criteria or processes will be communicated to all platform users in a timely manner.

4. Matching Process

- The platform shall primarily filter borrowers and make suggestions to the lender based on risk preference and lending tenure chosen by the lender. This process will consider various factors, including but not limited to credit score, loan amount, interest rate, repayment capacity, and lender preferences.
- The algorithm will be designed to ensure that all eligible borrowers have an equal chance of being matched with suitable lenders, based on objective criteria.
- Lenders may choose to manually select or decline any individual borrower.
- The platform will suggest a tentative amount to be loaned by the lender to individual borrowers to ensure maximum diversification of the lending amount. The lender may choose to modify this amount but will be nudged to inform about increased risks.
- Lenders to mandatorily approve each borrower, and such approval shall be documented with audit logs.

5. Monitoring and Review

5.1 Regular Monitoring

- The platform will regularly monitor the matching process to ensure compliance with this policy. Any deviations from the policy will be investigated, and corrective actions will be taken as necessary.
- The platform will conduct periodic audits of the matching process to identify any patterns of discrimination or inequity.

5.2 Policy Review

- This policy will be reviewed annually by the Board of Directors to ensure that it remains in alignment with regulatory requirements and industry best practices.
- Any amendments to the policy will be approved by the Board and communicated to all relevant stakeholders.

6. Grievance Redressal

- The platform will maintain a grievance redressal mechanism to address any concerns or complaints from lenders or borrowers regarding the matching process.
- Complaints will be resolved in a fair and transparent manner, with the findings reported to the Board on a regular basis.