

1. What is the minimum Long Term Rating requirement for an NBFC/HFC to enter into Colending arrangement with our Bank?
 - a) A
 - b) AA
 - c) BB
 - d) **BBB**
 - e) AAA

Answer: **BBB**

2. In case either Bank or NBFC/HFC wants to exit the agreement (only for new business), how many days prior notice should be served to the other party?
 - a) 60
 - b) 30
 - c) 90
 - d) 91
 - e) 180

Answer: **30**

3. For our Bank to enter into CLM with NBFC/HFC, which of the following is incorrect?
 - a) NBFCs/HFCs should be registered with RBI and should already be complying with the prudential norms of RBI
 - b) NBFCs/HFCs should be in operation for more than 3 years.
 - c) In preceding two years Net NPA should be below 2.00% and Gross NPA below 4.00% in each year.
 - d) Minimum Capital to Risk Weighted Asset Ratio (CRAR) of NBFC/HFC should be 15%
 - e) In preceding two years Gross NPA below 4.00% in each year.

Answer: **NBFCs/HFCs should be in operation for more than 3 years.**

4. FOIR stands for
 - a) Fund Outflow and Investment ratio
 - b) Fixed Obligation to Investment Ratio
 - c) Future obligation to income ratio
 - d) Fixed Obligation to Income Ratio
 - e) Future obligation to investment ratio

Answer: **Fixed Obligation to Income Ratio**

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5. The long term rating of NBFC/HFC (with which our bank is entering into CLM arrangement) should not be older than how many years as on date of CLM?
- a) 1 year
 - b) 6 months
 - c) 3 months
 - d) 1.5 years
 - e) 3 years

Answer: 1 year

6. In CLM, SARFAESI enforceable properties of what locations can be accepted as security
- a) Tier 1 centers only
 - b) Tier 1 & II centers only
 - c) All locations
 - d) All locations excluding gram panchayat area
 - e) Tier 1, II & III centers

Answer: All locations

7. In CLM, security creation/perfection is done by
- a) Bank
 - b) NBFC/HFC
 - c) Borrower
 - d) Servicer
 - e) Both Bank & NBFC/HFC

Commented [A1]: Word Perfection is added along with creation.

Answer: NBFC/HFC

8. In CLM, FOIR to be considered at what % for assessment of EMI.
- a) 60
 - b) 70
 - c) 90
 - d) 50
 - e) 75

Answer: 75

9. In CLM, data in relation to monthly repayments, loan balances, penal charges, overdues held in each obligors accounts is shared by
- a) Bank to NBFC/HFC
 - b) NBFC/HFC to Bank
 - c) Not required
 - d) Mutually

e) Data is shared on quarterly basis instead

Answer: NBFC/HFC to Bank

10. In CLM, agency appointed by the Bank inter alia to manage, collect and receive payment of the Receivables, to deposit the Assigned Receivables in the Collection Account and to provide certain other services, including realisation of Receivables, is called
- a) Collector
 - b) Receiver
 - c) Servicer
 - d) Assignor
 - e) Depositer

Answer: Servicer

11. Co-Lending will be entered with only those NBFCs/HFCs which are rated
- a) UBC-4 and above
 - b) UBC-3 and above
 - c) UBC-2 and above
 - d) UBC-5 and above
 - e) UBC-4

Answer: UBC-4 and above

12. In CLM, Minimum Capital to Risk Weighted Asset Ratio (CRAR) of NBFC/HFC in percentage terms should be
- a) 12
 - b) 20
 - c) 17.5
 - d) 15
 - e) 9

Answer: 15

13. A certificate that all eligible loans have been covered under CGTMSE is to be submitted at what frequency by the auditor of the NBFC/ HFC?
- a) Annually
 - b) Quarterly
 - c) Monthly
 - d) Halfyearly
 - e) Weekly

Answer: Quarterly

14. In CLM, Gross NPA of NBFCs/HFCs in last 2 years to be

- a) below 4% in each year
- b) below 6% in each year
- c) below 5% in each year
- d) below 7% in each year
- e) below 8% in each year

Answer: below 4% in each year

15. In CLM, Net NPA of NBFCs/HFCs in preceding 2 years to be

- a) below 4% in each year
- b) below 2% in each year
- c) below 5% in each year
- d) below 3% in each year
- e) below 6% in each year

Answer: below 2% in each year

16. Number of years in operation required for NBFC/HFC to enter into CLM with our bank is more than

- a) 1 year
- b) 2 year
- c) 3 year
- d) 4 year
- e) 5 year

Answer: 4 year

17. For a NBFC/HFC rated A and above, the minimum Networth requirement for CLM with our Bank is

- a) Rs 200 crs
- b) Rs 150 crs
- c) Rs 175 crs
- d) Rs 125 crs
- e) Rs 100 crs

Answer: Rs 100 crs

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18. In CLM, Bank has to create
- a) Individual customer accounts for their share of exposure with the Bank
 - b) Single account can be created aggregating share of exposure of all customers with the Bank
 - c) Only escrow account is required
 - d) Individual customer account is to be created only when it becomes NPA
 - e) Bank is not required to create any individual customer account

Answer: Individual customer accounts for their share of exposure with the Bank

19. In CLM, NBFC/ HFC will remitt to Bank the proportionate share of repayment/prepayment on
- a) T+3 basis
 - b) T+2 basis
 - c) T+0 basis
 - d) T+4 basis
 - e) T+1 basis

Answer: T+1 basis

20. In CLM, provisioning requirement for Bank and NBFC/HFC is as per
- a) regulatory guidelines of bank
 - b) regulatory guidelines of NBFC/HFC
 - c) respective regulatory guidelines shall be applicable
 - d) Higher of Bank and NBFC/HFC provisions are applicable to both
 - e) Lower of Bank and NBFC/HFC provisions are applicable to both

Answer: respective regulatory guidelines shall be applicable

21. In CLM, the asset classification for Bank and NBFC/HFC is as per
- a) regulatory guidelines of bank
 - b) regulatory guidelines of NBFC/HFC
 - c) respective regulatory guidelines shall be applicable
 - d) Higher asset classification is applicable to both
 - e) Lower asset classification is applicable to both

Answer: respective regulatory guidelines shall be applicable

22. In CLM, Recovery of Loan on Slippage is undertaken by
- a) NBFC/HFC only
 - b) Bank only
 - c) Both NBFC/HFC and Bank individually for their respective share
 - d) Both NBFC/HFC and Bank jointly

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e) Neither NBFC/HFC nor Bank

Answer: NBFC/HFC only

23. In CLM, CIBIL Bureau reporting for the loan amount will be done by

- a) Bank only
- b) NBFC/HFC only, Bank to make necessary entry in its book
- c) Both NBFC/HFC and Bank individually for their respective share
- d) Neither NBFC/HFC nor Bank
- e) Either NBFC/HFC or Bank

Commented [A2]: "Bank to make necessary entry in its book" is added in the option.

Answer: NBFC/HFC only, Bank to make necessary entry in its book

24. In CLM, custody OF the underlying loan documents is with

- a) NBFC/HFC
- b) Bank
- c) Partly with Bank & partly with NBFC/HFC
- d) Neither NBFC/HFC nor Bank
- e) Either NBFC/HFC or Bank

Answer: NBFC/HFC

25. In CLM, All requests/ grievances/ communication related to customer shall be managed by

- a) NBFC/ HFC solely
- b) Bank Solely
- c) Whosoever receives such request
- d) Both NBFC/HFC and Bank jointly
- e) Neither NBFC/HFC nor Bank

Answer: NBFC/ HFC solely

26. In CLM, for delayed payment interest, NBFC/HFC has to provide a grace period of _____ days from due date for remittance to customer, post which NBFC/ HFC shall apply penal charge towards customer's delay

- a) 3
- b) 2
- c) 4
- d) 5
- e) 1

Answer: 5

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27. In CLM, sanction letter issuance is done by
- a) Bank
 - b) NBFC/HFC
 - c) Either Bank or NBFC/HFC for full amount
 - d) Either Bank or NBFC/HFC for their respective share
 - e) Neither NBFC/HFC nor Bank

Answer: NBFC/HFC

28. In CLM, Monthly account wise recon / query resolution is undertaken by
- a) NBFC/HFC
 - b) Bank
 - c) Either Bank or NBFC/HFC for full amount
 - d) Either Bank or NBFC/HFC for their respective share
 - e) Neither NBFC/HFC nor Bank

Answer: NBFC/HFC

29. In CLM, by giving how many months prior notice in writing, can the bank terminate the NBFC/HFCs obligation in its capacity as the Servicer?
- a) 1
 - b) 3
 - c) 2
 - d) 6
 - e) 9

Answer: 3

30. In CLM, any charges for the transfer of funds shall be borne by
- a) Bank
 - b) NBFC/ HFC
 - c) By both Bank and NBFC/HFC in proportion of their share
 - d) Borrower
 - e) Neither NBFC/HFC nor Bank

Answer: NBFC/ HFC