



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2024-25/<>

DOR.STR.REC.***/21.07.001/2024-25

Date of Issue

All Commercial Banks,
Primary (Urban) Co-operative Banks, State Co-operative Banks,
Central Co-operative Banks; and
Non-Banking Financial Companies (including Housing Finance Companies)

Madam/ Sir,

Draft Guidelines on 'Digital Lending – Transparency in Aggregation of Loan Products from Multiple Lenders'

A reference is invited to the 'Guidelines on Digital Lending' issued *vide* [Circular DOR.CRE.REC.66/21.07.001/2022-23 dated September 02, 2022](#), and the [Statement on Developmental and Regulatory Policies dated December 08, 2023](#) wherein it was announced to issue a regulatory framework for aggregation of loan products by lending service providers (LSPs).

2. The focus of RBI's ['Guidelines on Digital Lending' dated September 02, 2022](#) has been 'customer centricity' and ensuring complete transparency to the borrower in the credit intermediation process. It is observed that many of the LSPs offer aggregation services for loan products, wherein an LSP, or a Regulated Entity (RE) acting as an LSP, has outsourcing arrangements with several lenders and the Digital Lending App/ Platform (DLA) of the LSP/RE matches the borrower to one of the lenders. In such cases, particularly where an LSP has arrangements with multiple lenders, identity of the potential lender to the borrower may not be known upfront to the borrower.

3. Accordingly, with the objective of enabling the borrowers to have prior information about the potential lenders in order to make an informed decision, the REs are advised to ensure as under:

- (i) The LSP shall provide a digital view of all the loan offers available to the borrower, as per his/her requirements, from all the willing lenders with whom the LSP has arrangements with.
- (ii) While the LSP may adopt any mechanism to ascertain the willingness of the lenders to offer a loan, it shall follow a consistent approach in this regard, which shall be disclosed suitably on their website.
- (iii) The digital view shall include the name(s) of the RE(s) extending the loan offer, amount and tenor of loan, the Annual Percentage Rate (APR)¹ and other key terms and conditions in a way which enables the borrower to make a fair comparison between various offers. A link to the key facts statement (KFS)² shall also be provided in respect of each of the REs.
- (iv) The content displayed by the LSP shall be unbiased and shall not directly/indirectly promote or push a product of a particular RE, including by use of any practices or deceptive patterns, i.e., using 'dark patterns'³ designed to mislead borrowers into choosing a particular loan offer.

4. The terms used in this circular shall have the same meaning as assigned to them in the [Circular on 'Guidelines on Digital Lending' dated September 02, 2022](#).

5. These instructions are applicable to 'Digital Lending' operations undertaken by the REs and shall be effective from _____, 2024.

6. These directions are issued under sections 21, 35A and 56 of the Banking Regulation Act, 1949, sections 45JA, 45L and 45M of the Reserve Bank of India Act, 1934, sections

¹ As defined under Para 3(c) of the [Circular on 'Key Facts Statement \(KFS\) for Loans & Advances' dated April 15, 2024](#).

² KFS shall be in terms of the [Circular on 'Key Facts Statement \(KFS\) for Loans & Advances' dated April 15, 2024](#).

³ As defined under section 2(e) of the 'Guidelines for Prevention and Regulation of Dark Patterns, 2023' dated November 30, 2023 issued by Central Consumer Protection Authority.

30A and 32 of the National Housing Bank Act, 1987 and section 6 of the Factoring Regulation Act, 2011.

Yours faithfully,

(Vaibhav Chaturvedi)
Chief General Manager