

Fair Use Explained

- Guardrails for Lending Journeys on Account Aggregator

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Agenda

- ❖ Introduction to Fair Use Framework
- ❖ Fair Use Templates and Guardrails for lending
 - Monitoring Guardrails (CT003 / CT035)
 - Collection Template – Only in Default
- ❖ PFM ≠ Lending
- ❖ Q&A

A woman with a bindi and a yellow and orange saree is smiling while working in a shop. She is surrounded by shelves of various goods, and her hands are visible as she handles items on a counter. The image has a semi-transparent blue and orange overlay.

Fair Use Explained!

Introduction to Fair Use Framework



Role played by Sahamati in the AA Ecosystem



High Governance
Standards



Responsible
Innovation



Highly efficient cross
sectoral network



Ensure Fair Use of AA
via self regulation



Drive Innovation and
Financial Inclusion



Build Consumer
Education and
Awareness



Build High Quality
of Service

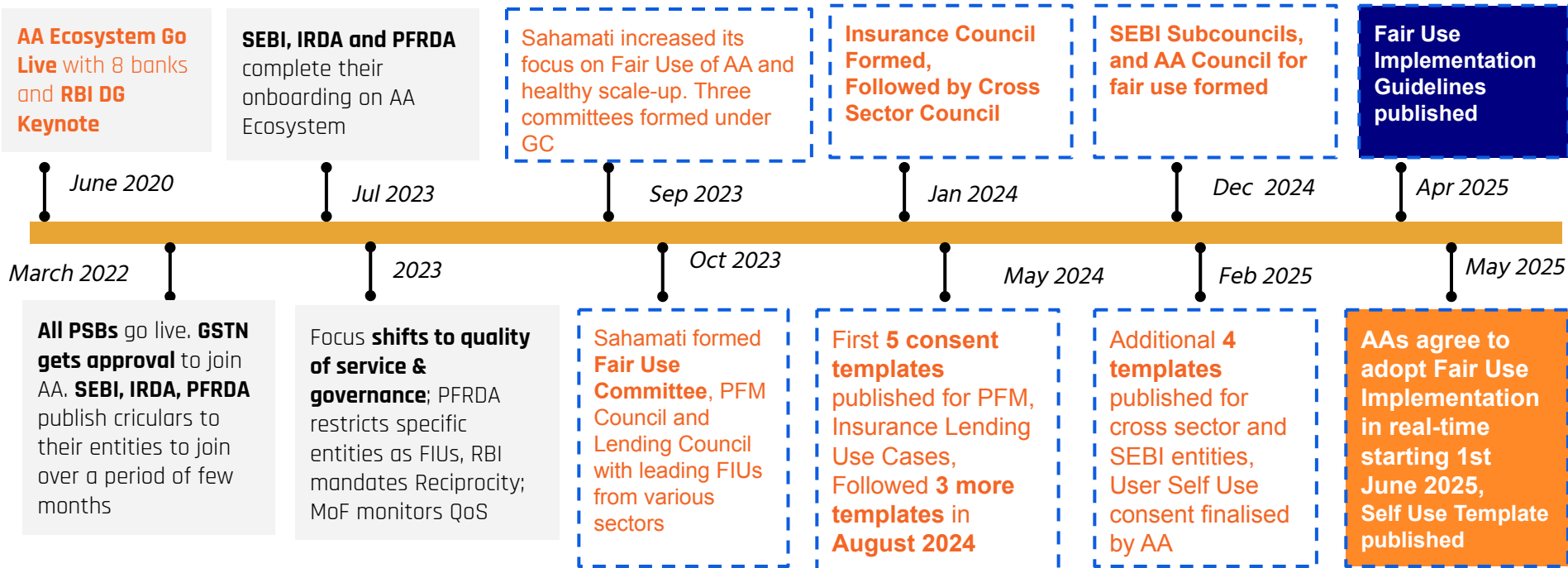


Operate Shared
Techno-Legal
services for
Interoperability



Define Standard Terms
and Conditions for the
Network via
participatory
governance

Define. Detect. Deter: Tracing the Fair Use Implementation Timeline





FIUs - Primary Responsibility for implementation

- Responsible for implementing Fair Use Templates for their use cases.
- Implementation by FIUs reduces checker burden on AAs and FIPs.

AAs - First Level Checking of incoming consent requests

- Act as the primary checker of consent requests against Fair Use Templates.
- Responsible for educating and sensitising FIUs to implement Fair Use Templates
- Ensure deviant requests are identified on an automated basis
- Block deviant requests
- Share regular fair use progress reports to support ecosystem governance

FIPs - Second Level Checking of incoming consent requests (voluntary)

- Act as a second-level checker of consent requests.
- May develop mechanisms to identify deviant requests on an automated basis
- Block deviant requests
- Share regular fair use progress reports to support ecosystem governance

Fair Use Template – What it is and how to use it?



A Fair Use Template defines the **upper bounds** for consent attributes for a specific use case.

- The purpose code associated with a template is fixed, while all other consent attributes represent maximum permissible limits.
- FIUs are expected to select values that are **lower than or equal to these limits** based on their actual use case.
- Using the maximum values in the template is **not mandatory** to meet **YOUR data minimisation requirements**.



Community Asset



Reference data points and upper limits for known use cases



Are NOT Purpose Codes



Are NOT suggested Use Case for any specific license



Are NOT legal advice on Use Case for any license



Are NOT mandatory consent attributes for an use case

A smiling woman with a bindi, wearing an orange and yellow patterned saree, is working in a shop. She is surrounded by shelves filled with various goods, including bags of rice or flour. The image has a warm, orange-toned overlay.

Fair Use Explained!

Fair Use Templates for Lending Use Cases

Fair Use Template CT001 - Loan Underwriting Use Case



Consent Details (Attributes)	Values (as agreed in the Council)
Purpose Text	As agreed by FIUs to show to the customer: To process borrower's <loan / credit card / credit line> application
	As per ReBIT: Aggregated Statement
Purpose Code	103
Purpose Code Category Name	Financial Reporting
FI Types	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, CP, GOVT_SECURITIES, EQUITIES, BONDS, DEBENTURES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, GSTR1_3B
Consent Types	Profile, Summary, Transactions
Fetch-type	One-Time
Maximum Frequency	NA
Maximum FI Data Range	14 months
Maximum Consent Validity	1 Month
Maximum Data Life	1 Month



[Click to view template with rationale](#)

Fair Use Template CT003 - Loan Monitoring Use Case



Consent Details (Attributes)	Values (as agreed in the Council)
Purpose Text	As agreed by FIUs to show to the customer: To monitor the borrower's account to verify the repayment capability, subject to activation of (loan / credit card / credit line)
	As per ReBIT: Explicit consent for monitoring of the accounts
Purpose Code	104
Purpose Code Category Name	Account Query and Monitoring
FI Types	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, CP, GOVT_SECURITIES, EQUITIES, BONDS, DEBENTURES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, GSTR1_3B
Consent Types	Profile, Summary, Transactions
Fetch-type	Periodic
Maximum Frequency	5 times per month
Maximum FI Data Range	6 months
Maximum Consent Validity	5 years or the loan tenure, whichever is lower
Maximum Data Life	1 Month



[Click to view template with rationale](#)

Fair Use Template CT035 - Loan Collections Use Case



Consent Details (Attributes)	Values (as agreed in the Council)
Purpose Text	As agreed by FIUs to show to the customer: To monitor a borrower's accounts for (loan / credit card / credit line) collection, in case of overdue payments
	As per ReBIT: Explicit consent for monitoring of the accounts
Purpose Code	104
Purpose Code Category Name	Account Query and Monitoring
FI Types	Deposit
Consent Types	Summary
Fetch-type	Periodic
Maximum Frequency	1 per day
Maximum FI Data Range	1 day
Maximum Consent Validity	8 years or the loan tenure, whichever is lower
Maximum Data Life	1 Month



[Click to view template with rationale](#)

CT003 and CT035 - Technical guard-rails for recurring consents



Technical Guardrail	Responsibility
FIU to provide disclosure (as a part of the purpose text) that monitoring consent will be activated only if the loan is disbursed and collection consent will be activated only if the loan is under default	FIU will implement the standardized Purpose text as per the CT003 and CT035 in their consent requests, and later this would be automated as a part of Sahamati's Fair Use System
FIU to ensure, technically, that data against monitoring consent will get pulled only if a loan is active and collection consent will get pulled only if the payment under the loan (EMI) is overdue for more than a day.	FIU will be responsible for configuring their back-end systems to ensure this
At the end of the journey of a rejected/prepaid customer (purpose fulfilled), the customer shall compulsorily be provided an option to revoke monitoring consent and collection consent, as the purpose is no more valid.	FIU to present a redirection link to the AA page/app for the customer to revoke consent live (as a best practice) or through any other communication channel (in case of non-STP journeys)
To ensure that customers are informed about their data being accessed due to monitoring or collection consent, consumers should be regularly notified of data pulls and active consents.	AA to provide regular notifications to consumers via appropriate communication channels. Frequency to be discussed/decided with the AA Steering Group

CT003 and CT035 - Exceptions for Short Term Loans



What should be the consent validity for short-term loans, under CT003 and CT035 templates

- The Council has clarified that for short-term loans, i.e., loans for less than one year, the validity of consent shall not be more than 3 months beyond the tenure of the loan.
- The council has recommended this to enable lenders to continue monitoring a borrower's account and optimise their collection strategies in case a borrower delays his/her repayment.
- Lenders that offer short-term loans, especially unsecured, are at higher risk of default and need flexible collection strategies because of the limited ageing of the particular loan account.
- For instance, if the loan tenure is two months, the consent validity can be up to five months and not be coterminous with the loan tenure.

This is subject to data minimisation principles under DPDP rules, to be followed by the FIUs.

A woman with a bindi and a yellow and orange saree is smiling while working in a shop. She is surrounded by shelves of various products, and her hands are visible as she handles items on a counter. The image has a semi-transparent blue and orange overlay.

Fair Use Explained!

What do these templates and guardrails mean?

Why so many templates? **One Consent One Purpose**

The AA Framework has adopted **One Purpose, One Consent principle**, as codified in the Common Code of Conduct for Sahamati Members (CC026):

- **Purpose-Specific Consent:** A consent artefact must map to a single, clearly defined purpose
- **Clear Customer Understanding:** The purpose of the consent must reflect explicitly what the customer has agreed to, how their data will be used for that one defined purpose, avoiding ambiguity.
- **Avoiding Purpose Expansion:** Using a single consent for multiple activities would expand the original purpose and allow access beyond the customer's intended data sharing requirement.



Why must underwriting, monitoring, and collection consents always remain separate



- **Distinct Functions:** Lending involves underwriting, account monitoring for early warning signals and risk modelling, and collection, each serving a separate purpose in the loan lifecycle.
- **Different Customer Triggers:** Underwriting occurs before loan issuance, monitoring after the loan is active, and collection only upon default.
- **Separate Data Needs:** Each function requires access to different data at different times, with specific processing requirements.
- **Purpose-Limited Consents:** Keeping separate Fair Use templates ensures data is used only for its intended function, preventing purpose creep or unrestricted access.



Do's and Don'ts recommended for Lending use cases on AA

Consent Structuring & Purpose

- **Take separate consents** for:
 - Loan Underwriting (Application)
 - Loan Monitoring
 - Loan Collections
- **Use Council-recommended purpose codes** for each lending purpose.
- **Ensure each consent maps to a specific loan lifecycle stage** and is not reused across stages.
- Clearly explain why data is needed at each stage (underwriting, monitoring, collections) in simple, non-technical language to customers.
- Do show customers which loan a consent is linked to, especially when multiple loans exist, your product dashboards.

Need-based Consent Collection

- **Recommended to take Consent when data sharing is required**, i.e.:
 - At loan application (Underwriting)
 - At loan activation (Monitoring)
 - At loan default (Collections)
- **Limit Consent attributes for data collection strictly to what is necessary** for the stated purpose.
- **Maximum limits in fair use does not mean you have to collect data beyond your needs**

Do's and Don'ts recommended for Lending use cases on AA



Loan Underwriting (for a Loan Application)

- **Consent is taken only for a loan application.** Do not treat loan offers or pre-approved offers as equivalent to a loan application
- **Limit consent validity to a maximum of 1 month** for loan underwriting.
- Limit the **data types to the actual information needed** for your product type - Templates allow broader data types to support all products
- If data becomes stale and fresh data is required (e.g., HFC loan offers), **take a fresh one-time consent** as per Council decision, do not take recurring consents.
- **Do not use recurring consents** for loan offers or underwriting, it is strictly one-time consent as per Council decision.



Do's and Don'ts recommended for Lending use cases on AA

Loan Monitoring (for an Active Loan) - intended to provide **early warning signals** on a borrower's financial health for an active loan.

- **Set consent validity to the lower of:** Loan tenure, or 5 years
- Inform customers and use monitoring consents only when loan is activated - if loan offer is rejected do not use monitoring consent
- **Pull data only as frequently as required** by the product:
 - If one fetch per month is sufficient, do not configure higher frequency.
- **Design internal systems to map and track consents to specific loan applications and loans.**

Loan Collections (on default / NPA) - When an instalment, EMI, or payable amount remaining overdue beyond the agreed due date.

- Data used to support recovery actions such as assessing available balances before an eNACH presentation.
- Activate collections consent only **after the loan has actually defaulted.**
- **Abandon collections consent** if the loan is closed, or pre-closed.



Do's and Don'ts recommended for Lending use cases on AA

Pre-closure & Lifecycle Management

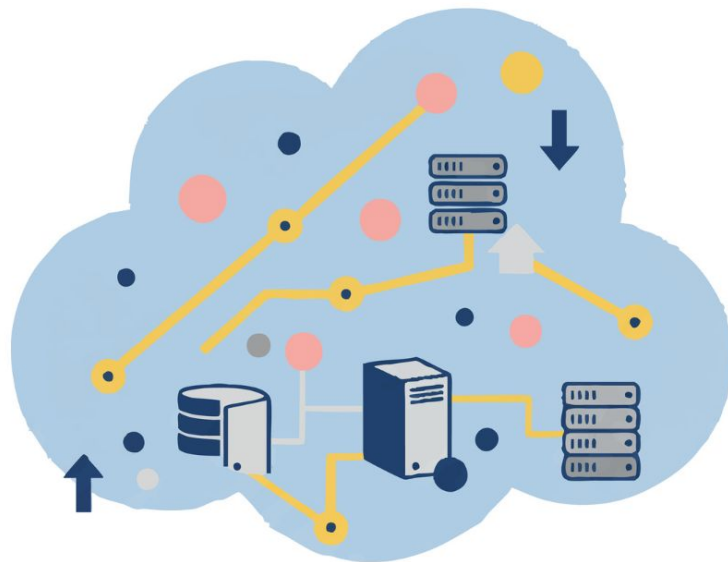
- Provide the customer with a **clear option to revoke monitoring or collection consents** if the loan is prepaid, closed, or if the associated offer is not accepted
- On loan pre-closure:
 - **Stop fetching data** under the associated consents
 - Provide options for customers **to revoke consents** on such loans
 - **Trigger reminders** to the customer to revoke the consents
- Have clear **internal policies and processes to stop data access** once the purpose is exhausted



Do's and Don'ts recommended for Lending use cases on AA

Data Minimisation & Storage

- **Notify** customers when **data is accessed** via AA, and also inform them when the **data is purged** as per the consent.
- Do not **reuse underwriting data collected** for an offer once the customer moves on from the application, take a fresh, purpose-aligned consent if needed.
- Do not **retain offer-stage data** once the offer lapses or is rejected.
- **Process data strictly within the defined data life** and for the stated purpose.
- Once the purpose is completed or data life expires (whichever is earlier):
 - **Move data out of active usage into archival storage**, as per regulatory requirements.
 - Do not repurpose the data or reuse the data for other activities or processes
- **Maintain records and audit trails** of data usage as required under applicable regulations.





Do's and Don'ts recommended for Lending use cases on AA

Don'ts

- Do not combine underwriting, monitoring, and collections under a single consent.
- Do not take consent in advance “just in case” it may be required later.
- Do not exceed Council-defined validity limits for underwriting or monitoring consents.
- Do not configure blanket monitoring frequencies (e.g., 5 per month) unless the product genuinely requires it.
- Do not continue monitoring or collections data pulls after loan pre-closure.
- Do not activate collections use case before an actual default.
- Do not reuse, repurpose, or extend a consent beyond its declared purpose.
- Do not retain data in active systems once the purpose is exhausted.
- Do not ignore DPDP data minimisation principles in data collection, processing, or storage.
- Do not obtain permissions or consents outside the AA framework that dilute, override, or bypass the customer's rights under an AA-issued consent.

What is PFM template - CT008 - Personal Finance Management (PFM)



Consent Details (Attributes)	Values (as agreed in the Council)
Purpose Text	As agreed by FIUs to show to the customer: To generate insights based on your overall finances and provide incidental recommendations, if any
	As per ReBIT: Explicit consent for monitoring of the accounts
Purpose Code	102
Purpose Code Category Name	Personal Finance
FI Types	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, CP, GOVT_SECURITIES, EQUITIES, BONDS, DEBENTURES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, GSTR1_3B
Consent Types	Profile, Summary, Transactions
Fetch-type	Periodic
Maximum Frequency	45 times per month
Maximum FI Data Range	10 years for SEBI FI Types 13 Months for others
Maximum Consent Validity	1 year
Maximum Data Life	1 Month



[Click to view template with rationale](#)

Why PFM Template ≠ Lending Template



PFM Template (CT008)	Lending Template (CT003)
Use case considered by Council To be used by FIUs that have a distribution charter with an advisory element. However, the FIUs do not have a fiduciary relationship with the customers which means they act as either a manufacturer of financial services or as a distributor (regulated and registered by one of the four FSRs) for one or multiple manufacturers	Use case considered by Council Loan application includes all type of credit products (secured/unsecured, long term/short term, credit line, credit card, bills discounting, receivables financing, TReDS)
Data shared by Customers with FIUs - to generate insights that help customers manage their finances	Data shared by Customers with FIUs - To assess eligibility and make a loan offer
Ongoing service - Repeated access to dashboards and insights	One-time interaction - decision based (take or leave) - loan offer
Obligation on Customer: Information only service; service not binding on the customer	Obligation on Customer: Creates a loan obligation if accepted
Periodic access aligned to an continuous service provided to customer	One-time access for a specific loan application
Recurring consent reflecting continuous use	One-time consent tied to a single purpose for loan
Data cannot be used to offer credit , as customer has not shared the data for solicitation	

A smiling woman with a bindi and a yellow and orange saree is working in a shop. She is behind a counter with various items, and shelves of products are visible in the background. The image has a blue and orange color overlay.

AA Journeys

Common UI/UX points to note in Lending-AA Journeys

To ensure Consent Screens enable **Informed and Explicit Customer Consent**



Consent Screen must have Key Consent Attributes for **Informed Consent**

Consent Screen must have Accept and Reject button for Affirmative action and **Explicit Consent**



←

Enter OTP to link bank account

Sent by Pirimid FinTech to +91 XXXXXXXXXX

1234

[Resend OTP](#)

Powered by

I authorize XXXXX to access my XXXXX XXXXXX account ending in XXXXe6fd to retrieve my last 6 month(s) bank statements for the purpose of Explicit one-time consent for the accounts. Data will be fetched one time and remains active for 1 month(s).

☒ ☐

Submit and activate



Approve Consent

☒ A/c No XXXXXXXXX
DEFAULT

☒ A/c No XXXXXXXXX
SAVINGS

☒ A/c No XXXXXXXXX
DEFAULT

[Link Another Account](#)

Consent Details

Statement Period 04 Jan 24 - 04 Jul 24

Purpose Explicit One Time Consent For The Accounts

Frequency Once

Consent Validity 04 Jul 24 - 03 Aug 24

Data deleted before 30 day(s)

Account types Deposit

Powered By

I hereby authorise XXXXX XXXXXXXX Private Limited to fetch my transaction details.

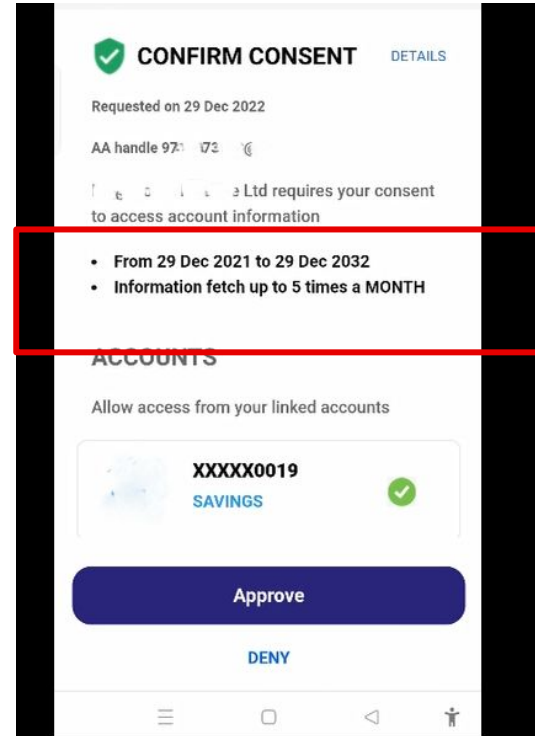
Reject Approve

To ensure Consent Screens enable Informed and Explicit Customer Consent



One Consent One Purpose

Separate consents must be sought for two different use cases instead of merging or bundling into one consent



MUST ensure that customers can accept or reject **each consent individually**



Consent Screen must allow customer to accept or reject **each consent** separately

In case loan is rejected or not accepted by customer, must redirect customer to **revoke recurring consent(s)**

XXXX XXXX

We need this to verify your bank account

Enter OTP

Sent to your mobile number [REDACTED]

Enter OTP

Resend OTP

XXXX XXXXXXXX requires consent to fetch & store your bank statement data (Profile, Transactions, Summary) for:

Loan application processing and underwriting

Frequency of access: One time

Data access: 06 Aug 2023 to 06 Aug 2024

Data life: 8 year(s)

Loan monitoring

Frequency of access: 30 time(s) per month

Data access: 06 Feb 2024 to 06 Aug 2032

Data life: 8 year(s)

Powered by RBI regulated Account Aggregator

By continuing, I agree to XXXX terms & conditions

Back

Verify

Enter OTP

Sent to +91 9899052900

[REDACTED]

Resend OTP in 00:30

XXXX XXXXXX requires consent to fetch & store your bank statement data (profile, summary & transactions) for:

☒ Loan application processing and underwriting

Frequency of access: One-time

Data access: 01 Jan 2023 to 31 Dec 2023

Data stored for: 30 days

☒ Loan monitoring

Frequency of access: 1 time per day

Data access: 1 day

Data stored for: 30 days

Consent validity: 01 Jan 2024 to 31 Dec 2031

The consent will be used only if the loan is disbursed

Powered by RBI regulated Account Aggregator

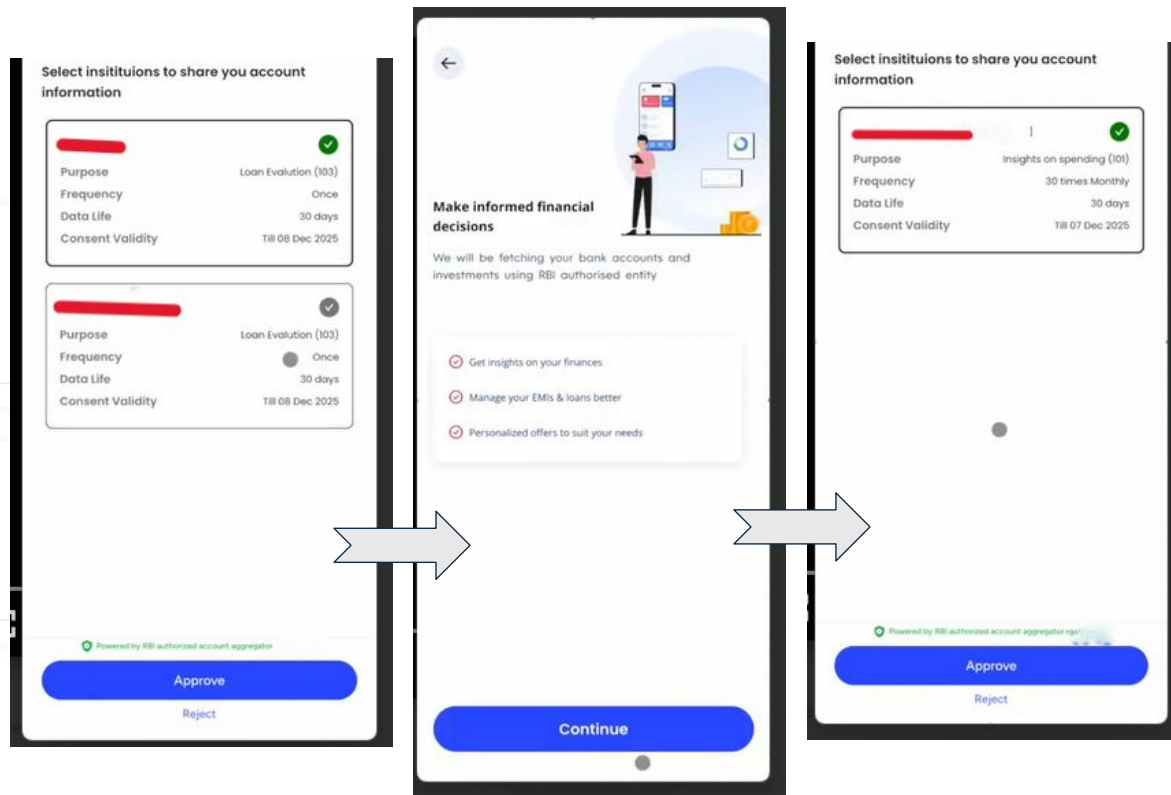
By continuing, I agree to XXXX terms & conditions

MUST not solicit FIU business within AA Journeys or Override AA Consents



AA screens are **not for solicitation** of business for FIUs

FIUs **must not** offer new use cases within the AA journey or add conditions in product journey that override the AA consents



A woman with a bindi and a yellow and orange saree is smiling while working in a shop. She is surrounded by shelves filled with various goods, including boxes and bags. The image has a warm, orange-toned overlay.

Thank you!

If you have any questions reach out to us at [fairuse \[at\] sahamati.org.in](mailto:fairuse@sahamati.org.in)