



# Fair Use Explained

## - Guardrails for Lending Journeys on Account Aggregator

Presented by:  
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A woman with short dark hair and a pink bindi is smiling at the camera. She is wearing a pink sari with a yellow and orange patterned border. She is standing behind a counter that has several white bowls filled with small, light-colored items, possibly food or grains. The background is slightly blurred, showing shelves with various products in a shop setting.

# 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

# Fair Use Explained!

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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



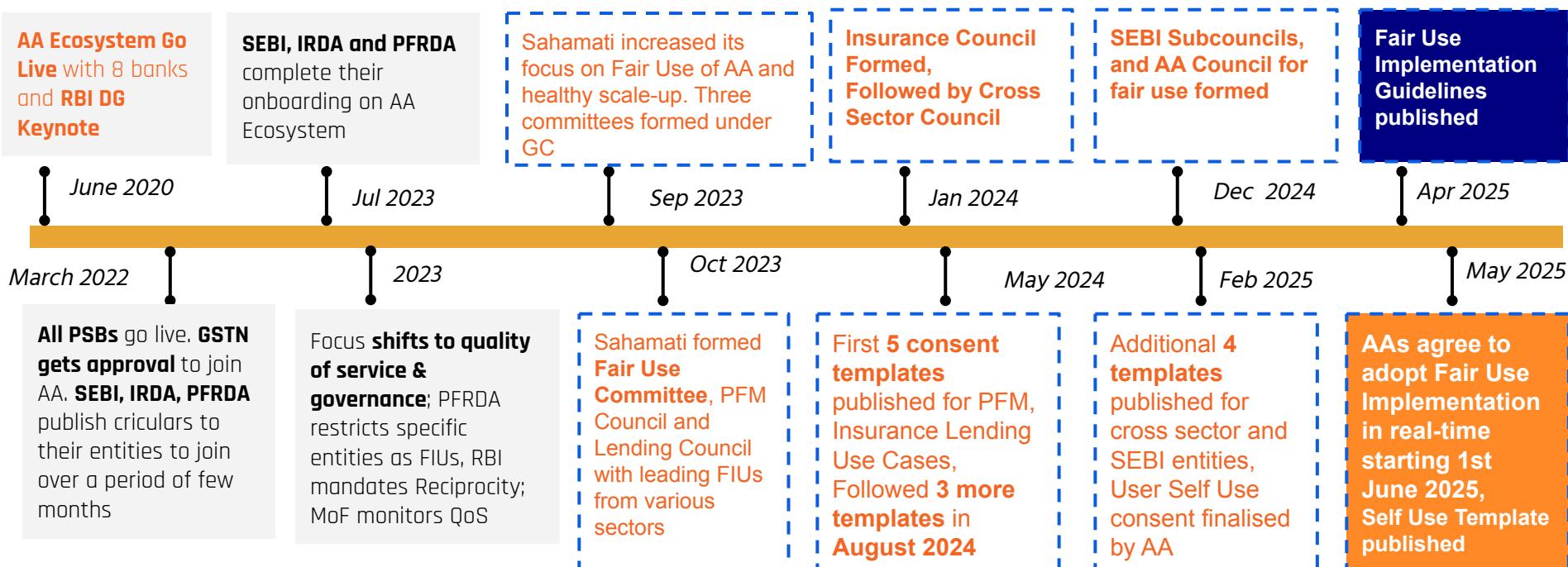
Operate Shared Techno-Legal services for Interoperability



Define Standard Terms and Conditions for the Network via participatory governance



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



# Fair Use Implementation – Roles & Responsibilities



## 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 is it 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

# Fair Use Explained!

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Fair Use Templates for Lending Use Cases



# Fair Use Template CT001 - Loan Underwriting Use Case



Consent Details (Attributes)	Values (as agreed in the Council)
<b>Purpose Text</b>	<b>As agreed by FIUs to show to the customer:</b> To process borrower's <loan / credit card / credit line> <b>application</b>
	<b>As per ReBIT:</b> Aggregated Statement
<b>Purpose Code</b>	103
<b>Purpose Code Category Name</b>	Financial Reporting
<b>FI Types</b>	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, CP, GOVT_SECURITIES, EQUITIES, BONDS, DEBENTURES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, GSTR1_3B
<b>Consent Types</b>	Profile, Summary, Transactions
<b>Fetch-type</b>	<b>One-Time</b>
<b>Maximum Frequency</b>	NA
<b>Maximum FI Data Range</b>	14 months
<b>Maximum Consent Validity</b>	1 Month
<b>Maximum Data Life</b>	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)
<b>Purpose Text</b>	<b>As agreed by FIUs to show to the customer:</b> To monitor the borrower's account to verify the repayment capability, <b>subject to activation of (loan / credit card / credit line)</b>
	<b>As per ReBIT:</b> Explicit consent for monitoring of the accounts
<b>Purpose Code</b>	104
<b>Purpose Code Category Name</b>	Account Query and Monitoring
<b>FI Types</b>	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, CP, GOVT_SECURITIES, EQUITIES, BONDS, DEBENTURES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, GSTR1_3B
<b>Consent Types</b>	Profile, Summary, Transactions
<b>Fetch-type</b>	Periodic
<b>Maximum Frequency</b>	5 times per month
<b>Maximum FI Data Range</b>	6 months
<b>Maximum Consent Validity</b>	5 years or the loan tenure, whichever is lower
<b>Maximum Data Life</b>	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)
<b>Purpose Text</b>	As agreed by FIUs to show to the customer: To monitor a borrower's accounts for (loan / credit card / credit line) collection, in <b>case of overdue payments</b>
	As per ReBIT: Explicit consent for monitoring of the accounts
<b>Purpose Code</b>	104
<b>Purpose Code Category Name</b>	Account Query and Monitoring
<b>FI Types</b>	Deposit
<b>Consent Types</b>	Summary
<b>Fetch-type</b>	Periodic
<b>Maximum Frequency</b>	1 per day
<b>Maximum FI Data Range</b>	1 day
<b>Maximum Consent Validity</b>	8 years or the loan tenure, whichever is lower
<b>Maximum Data Life</b>	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.**

# Fair Use Explained!

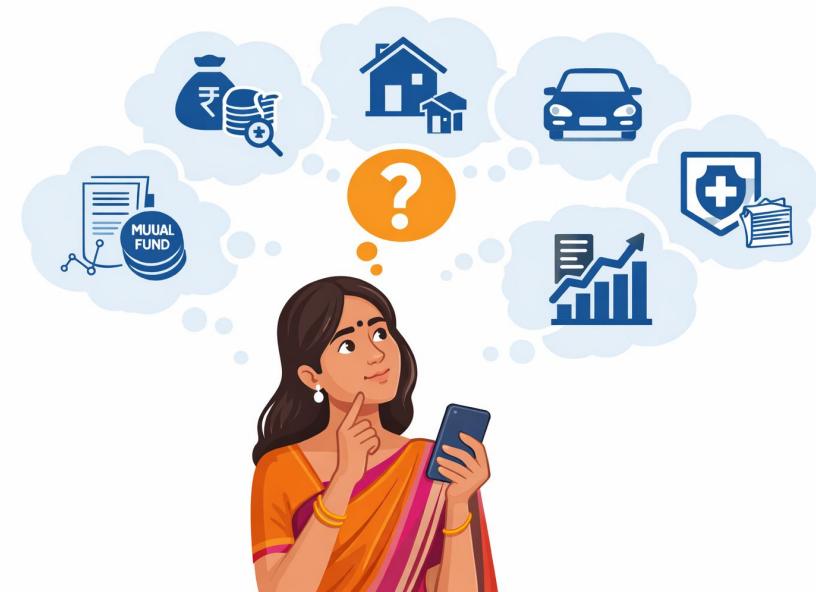
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What do these templates and guardrails mean?

# 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.



(1) Refer to Appendix A for additional information on this measure.

**By media.** We deliver most of our information electronically through the Internet and dedicated high-speed transmission lines to desktops and mobile devices such as smartphones and tablets. We also deliver information electronically over high-speed transmission lines to computer systems dedicated to high frequency or algorithmic trading. Electronic delivery improves our ability to rapidly provide additional products and services to our existing customers and to access new customers around the world. In addition, our offerings often combine software and services as integrated solutions to better serve the workflow needs of our customers. We also distribute some of our information in print format, primarily to our legal business.

In 2012 and 2013, approximately 97% of our revenues were derived from information delivered electronically, software and print. We expect that most of our customers will continue to prefer electronic delivery and increasingly migrate from print, particularly as an increasing number of professional knowledge workers rely on information delivered to their desktops, smartphones and tablets and as rapidly developing economic and software-based businesses add to their portfolios. We expect to continue to add more solutions-based and software-based products to our portfolio in the future. The mix of our products impacts our operating profit margins. Specifically, print products generally deliver information electronically, which generates lower margins than the margins of our print products and traditionally lower than the margins of our software-based products. By recurring,

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

## Pre-closure & Lifecycle Management

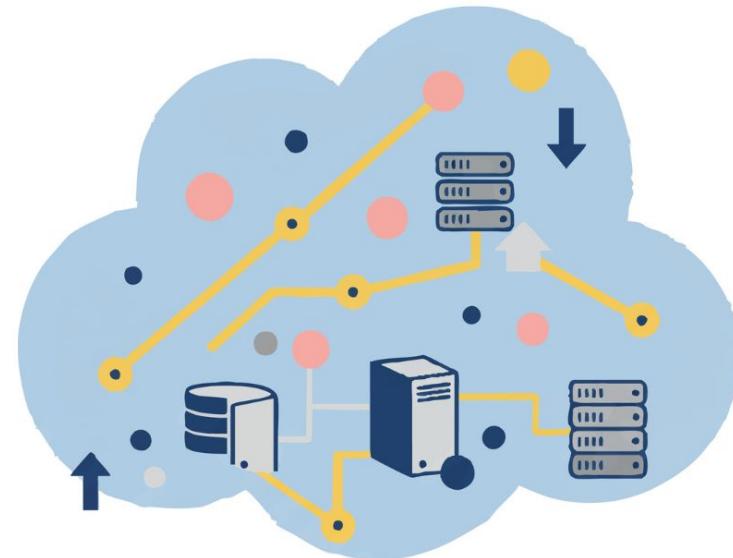
- Provide the customer with a **clear option to revoke monitoring or collection consents** if the loan is prepaid, closed, or if the associated offer is not accepted
- On loan pre-closure:
  - **Stop fetching data** under the associated consents
  - Provide options for customers **to revoke consents** 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)
<b>Purpose Text</b>	<b>As agreed by FIUs to show to the customer:</b> To generate insights based on your overall finances and provide incidental recommendations, if any
	<b>As per ReBIT:</b> Explicit consent for monitoring of the accounts
<b>Purpose Code</b>	102
<b>Purpose Code Category Name</b>	Personal Finance
<b>FI Types</b>	DEPOSIT, TERM_DEPOSIT, RECURRING_DEPOSIT, SIP, CP, GOVT_SECURITIES, EQUITIES, BONDS, DEBENTURES, MUTUAL_FUNDS, ETF, IDR, CIS, AIF, INVIT, REIT, GSTR1_3B
<b>Consent Types</b>	Profile, Summary, Transactions
<b>Fetch-type</b>	Periodic
<b>Maximum Frequency</b>	45 times per month
<b>Maximum FI Data Range</b>	10 years for SEBI FI Types 13 Months for others
<b>Maximum Consent Validity</b>	1 year
<b>Maximum Data Life</b>	1 Month



[Click to view template with rationale](#)

# Why PFM Template ≠ Lending Template



PFM Template (CT008)	Lending Template (CT003)
<b>Use case considered by Council</b>  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	<b>Use case considered by Council</b>  Loan application includes all type of credit products (secured/unsecured, long term/short term, credit line, credit card, bills discounting, receivables financing, TReDS)
<b>Data shared by Customers with FIUs</b> - to generate insights that help customers manage their finances	<b>Data shared by Customers with FIUs</b> - To assess eligibility and make a loan offer
<b>Ongoing service</b> - Repeated access to dashboards and insights	<b>One-time interaction</b> - decision based (take or leave) - loan offer
<b>Obligation on Customer:</b> Information only service; service not binding on the customer	<b>Obligation on Customer:</b> Creates a loan obligation if accepted
Periodic access aligned to an <b>continuous</b> service provided to customer	One-time access for a <b>specific</b> loan application
Recurring consent reflecting continuous use	One-time consent tied to a single purpose for loan
Data cannot be used to <b>offer credit</b> , as customer has not shared the data for solicitation	

# AA Journeys

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

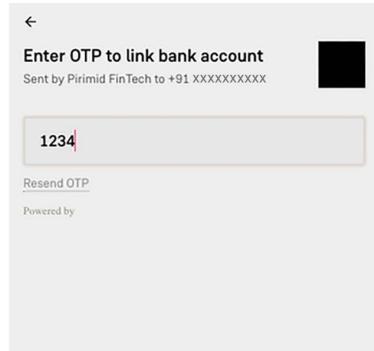
# To ensure Consent Screens enable Informed and Explicit Customer Consent



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

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

X✓



Enter OTP to link bank account  
Sent by Pirimid FinTech to +91 XXXXXXXXXX

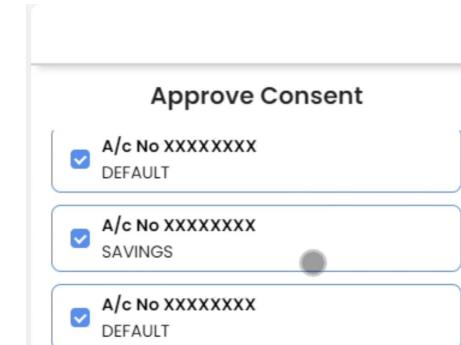
1234

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 XXXXXXXX  
DEFAULT
- A/c No XXXXXXXX  
SAVINGS
- A/c No XXXXXXXX  
DEFAULT

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

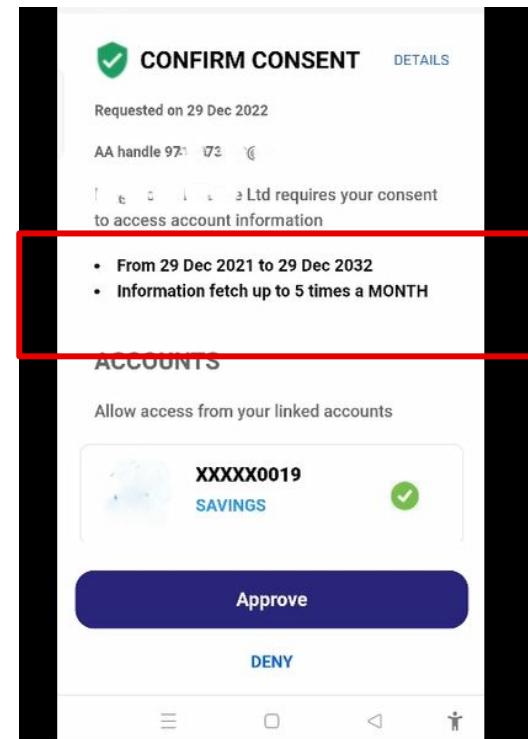
I hereby authorise XXXXX XXXXXX Private Limited to fetch my transaction details.

Reject

Approve

# To ensure Consent Screens enable Informed and Explicit Customer Consent

X



## 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

X

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, summary & transactions) 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)

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By continuing, I agree to [XXXX terms & conditions](#)

Back Verify

XXXX XXXX

Sent to +91 9899052900

Enter OTP

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

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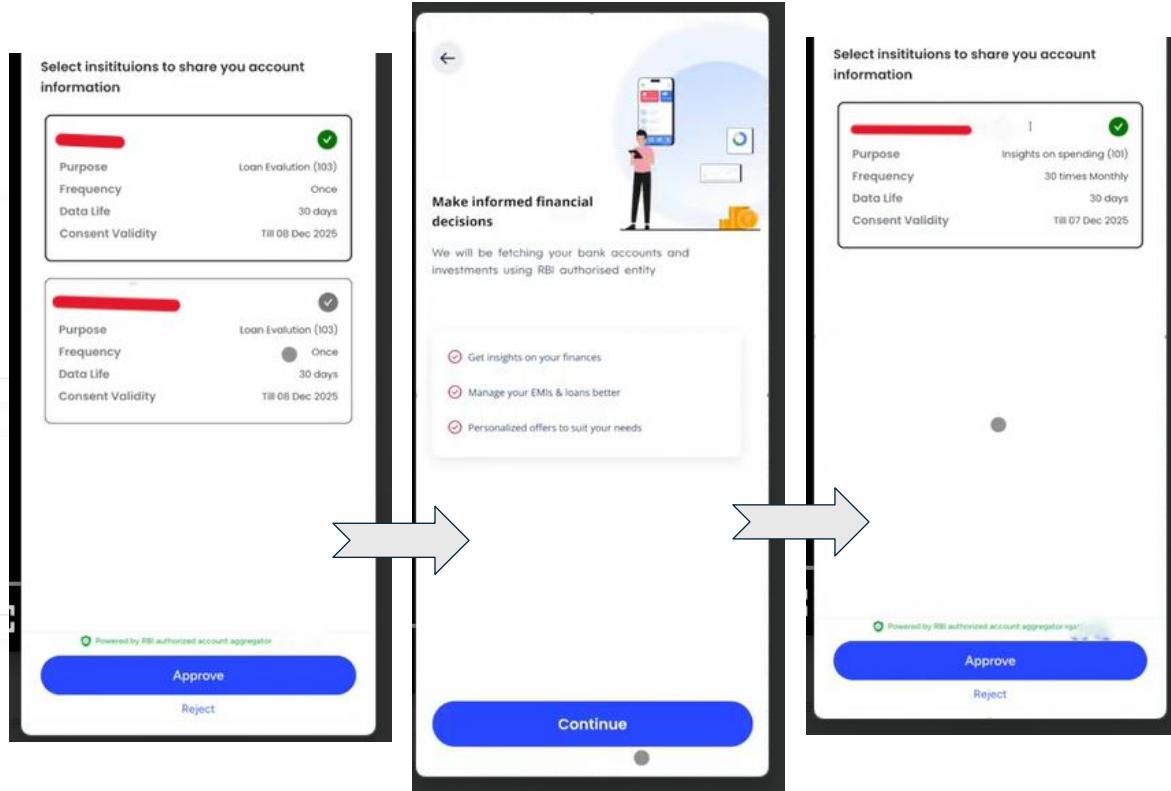
By continuing, I agree to [XXXX terms & conditions](#)

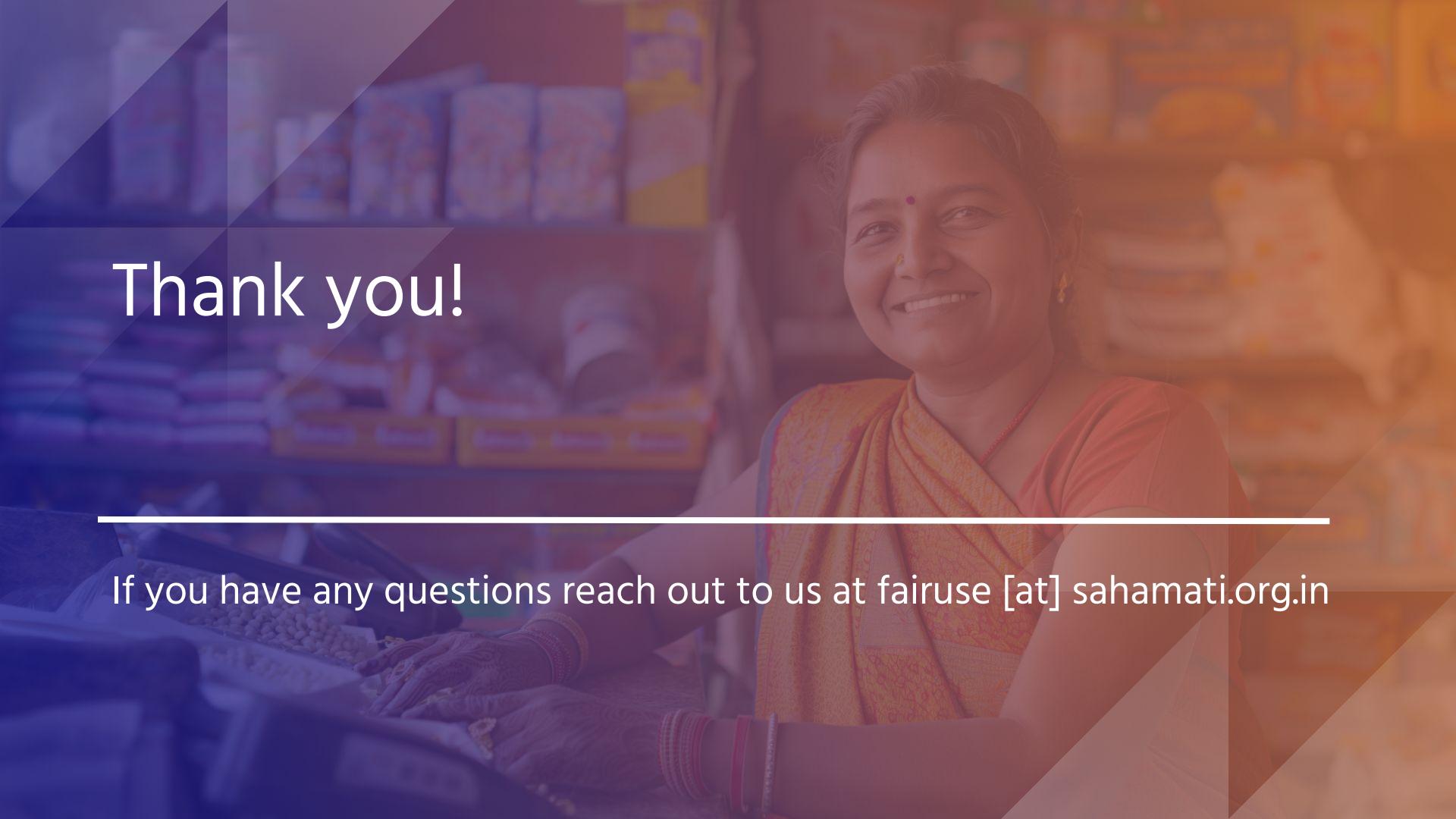
# MUST not solicit FIU business within AA Journeys or Override AA Consents



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





# Thank you!

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If you have any questions reach out to us at fairuse [at] sahamati.org.in