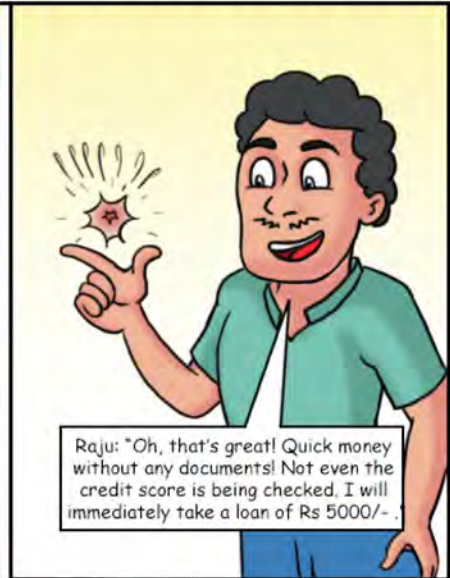


37. ILLEGAL LOAN FINANCING APPS WITH EXORBITANT INTEREST RATES AND HARASSMENT TACTICS

Raju and Ramu were best friends. One day, Raju met Ramu and told him about his financial problems.



Raju downloads a mobile app without verifying whether the entity providing loan is registered one. He gets Rs. 5000/- in his Bank account within no time.

Do's-

- ✓ Be cautious while downloading any app and providing the app permission to access data from your mobile phone.
- ✓ Always check the registration status of the company/NBFC whose application is being used to provide loan and terms and conditions before availing loan from that NBFC at https://www.rbi.org.in/Scripts/BS_NBFCList.aspx.
- ✓ Report the incident to the nearest Cyber Crime Police Station and National Cyber Crime Reporting Portal at <https://cybercrime.gov.in/>.



Within 7 days, Raju started receiving calls for repayment of Rs 7500/- . Raju still had not arranged money to repay the old loan and gets shocked by the demand of Rs 7500/- as repayment for the Rs 5000/- loan. Raju approached another friend, Laxman.



"I was under the impression that I will repay my loan amount along with nominal interest charges, but this app is charging exorbitant interest and many other charges. What shall I do now?"



Oh! Did you verify whether the entity is registered with RBI or have any other valid registration? Else, they would not be covered under any rules, and you are bound to pay as per the agreement only. Always check whether the finance company (NBFC) is registered / licensed by RBI



Don'ts:

- × Be cautious and don't take loan if any mobile app is providing a quick loan without checking any document and credit score, and always check the interest rate charged.