

MASTER CIRCULAR  
HOME LOANS  
(As on 30<sup>th</sup> September 2010)



State Bank of India  
Home Loans Department  
Personal Banking Business Unit  
Corporate Centre  
Mumbai

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Master Circular No. PBBU/HL/2010-11/2

01<sup>st</sup> October 2010

All the Branches/LHOs

Madam / Sir,

**MASTER CIRCULAR**  
**HOME LOANS**

We have been issuing Circulars/ Instructions containing operating instructions on Home Loans from time to time. To enable the operating functionaries to have current instructions at one place, a Master Circular incorporating all the existing Circulars/ instructions has been prepared and is appended. We advise that this Master Circular consolidates all the previous instructions issued up to 30.09.2010 vide the Circulars listed in the Annexure.

Yours faithfully,

Sd/-

General Manager (PBBU)

# **PART - I**

*(SBI Home Loan Scheme)*

## SBI HOME LOAN SCHEME

### 1. Purpose

1.1 Loans under the Bank's Home Loan Scheme may be granted to individuals to enable them to

purchase a plot of land for purpose of construction of house

purchase / construct a new house/flat

purchase an existing (old) house / flat or extend an existing house

repair or renovate an existing house /flat

furnishing / consumer durables as part of the project cost.

re-imbusement of investment made from own resources during the preceding twelve months for purchase /construction /repairs /extension of house.

1.2 Loans for more than one house may be granted to an individual provided:

a) Applicant(s) should fulfill the income criteria as also EMI/NMI norm after netting off the repayment obligations of the existing loans and subject to satisfactory conduct of existing loan(s) for a minimum period of one year.

b) If an individual owns two or more houses, singly or jointly then the exposure for the third house onwards / purchase of plot will be treated as CRE Home Loans with higher interest rate. (For further details, reference may be made to CRE Home Loan scheme in Page No. 380)

1.3 Take over of Home Loans availed by an individual borrower from other banks/financial institutions may be considered under certain circumstances after strictly following the procedure laid down in Para.32.

### 2. Eligibility:

2.1 Individual(s) over 18 years of age with steady source of income\*, including persons engaged in agriculture & allied activities.

*\* In case the property holder i.e.( wife / husband) is not having independent source of income, the income earning spouse may join as co-borrower/ guarantor for the loan and his or her income can be taken for arriving at loan eligibility.*

#### 2.2. Maximum Age

Maximum age limit for a Home Loan borrower is fixed at 70 years, i.e. the age by which the loan should be fully repaid, subject to availability of sufficient, regular and continuous source of income for servicing the loan repayment. Sanctioning authority is, however, left with discretion to sanction loans to individuals above the age of 70 years, provided son / daughter / spouse, who is a legal heir and below the age of 50 years, with sufficient income for servicing the loan repayment, joins as co-borrower / guarantor. Loan repayment in such cases should be made through a joint deposit account / current account in the names of all the joint borrowers / guarantors.



2.3. No. of Co-Borrower :

Restricted to maximum 3 including spouse/children/parents/siblings. However, AGM [Region] / AGM (Branch) can relax maximum no of co-borrowers provided the property is registered in the joint names of all the borrowers and loan repayment is made through an account with us in the joint names of all the borrowers.

**3. Maximum Loan Amount:**

3.1. For purchase / construction of a new house / flat:

Project cost which may include **cost** of land, additional amenities, registration charges, stamp duty, etc. **less** stipulated margin revised from time to time.

3.2. For furnishings / consumer durables:

10% of the project cost or Rs. 3 lacs whichever is less where check off facility or additional security or 3<sup>rd</sup> party guarantee good for the amount is available.

3.3. For repairs / renovations:

The maximum loan amount should not normally exceed Rs 10 lacs. Such loans exceeding the above ceiling amount require prior administrative clearance from the GM of the network, in all cases where sanctioning authority is an official of a lower grade.

3.4. Reimbursement of investment in housing, made during the preceding 12 Months:

Home loan may be sanctioned for reimbursement of investment made by the borrower in housing from own resources during the preceding 12 months subject to the following conditions: -

i) Reimbursement will be restricted to investments made by the borrower from own resources in construction/repair/renovation of house / purchase of property including registration fee and stamp duty paid for the purpose.

ii) Small expenditure like furnishing, wood work will not be considered for reimbursement.

iii) Quantum of reimbursement will be based on (a) the present market value of the property as per the valuer's certificate or (b) the investment made by the borrower, whichever is lower. Expenditure receipts should be obtained and kept on record.

iv) A higher margin of 25% will be insisted upon

3.5. Explanations:

Actual loan amount will be determined taking into consideration such factors as applicant's income and repaying capacity, age, assets and liabilities, cost of the proposed house/flat etc. As regards loans for repairs/ renovations/ construction etc, RACPCs / Branches should satisfy themselves about the estimated cost of work involved having regard to the extent thereof, materials to be used, cost of labour and other charges and after obtaining certificate(s) of qualified engineers/ architects, as considered necessary.

#### **4. Eligible Income for arriving at maximum loan amount**

4.1. In addition to the applicant's income, Income of spouse/children /parents / siblings may be considered for arriving at maximum loan amount subject to following conditions -

4.1.1 If the proposed property is held jointly with the spouse /children/parents/siblings then all the joint holders of the property should join as co-borrower, but in cases where the property is held in single name of the borrower the spouse / children/parents/siblings may join as co-borrower or as guarantors.

4.1.2. Co-borrowers/Guarantors (wherever guarantor's income is considered for arriving at loan eligibility) should be employed/ engaged in business/ profession etc. for a minimum period of one year and has a steady source of income evidenced by salary certificate, Form 16 or Income Tax Return Repayment by debit to his/her salary account maintained with us or by means of post-dated cheques issued from a joint account maintained by the borrower with the co-borrowers/guarantors.

*(Incase of salaried persons, AGM (Region) /AGM (Branch) may permit relaxation regarding proof of Income/Salary certificate, form 16, IT return etc., provided sanctioning authority is satisfied about the genuineness of source amount and continuity of repayment capacity of the borrower over the loan tenor. In all such cases basis for income verification should be properly recorded in loan appraisal.)*

#### **4.2 Other Income**

4.2.1 Regular income from all sources can be considered to arrive at the total eligible loan amount, provided the sanctioning authority is satisfied about the proof of the income.

#### **4.2.2 Expected Rental from the proposed house property :**

##### **Computation of expected rent accruals**

a) While computing maximum eligible loan amount, expected rent accruals from the proposed house/flat being let out (net of taxes, cess etc.) may be reckoned, subject to maximum amount equivalent to the applicant's Net Monthly Income(NMI)/Net Annual Income (NAI).

b) Needless to add, the reasonableness of the expected rent accruals should be established keeping in view factors such as location of the property, area of the house/flat, rentals prevailing in the area etc. **Further, expected rent accruals should not be considered in case of 'SBI-Realty' Home Loans.**

#### **4.2.3 Adding back depreciation to the Net Income:**

Sanctioning authorities may permit adding back of depreciation to compute Net Annual Income of the borrower, subject to the following conditions:

(a) The facility will be confined to businessmen, professionals and self-employed individuals who run the business/activity on proprietorship basis and who have availed loans *only from us* for buying the assets on which depreciation is

being claimed. Those who have not availed loan from us, they may be considered under “Home Loan to Businessmen” described below.

- (b) Sanctioning authority will verify borrower’s audited financials, income computation statements, IT returns and IT challans, for the last three financial years. Sanctioning authority may engage services of a Chartered Accountant other than the one who certified the borrower’s financial statements to establish genuineness of Income Tax returns, in case of doubt.
- (c) Sanctioning authority will ensure verification of fixed assets over which depreciation is claimed by the borrower during the pre-sanction inspection process.
- (d) Depreciation that is allowed to be added to the net income will be average depreciation during the last three years or depreciation for the current year **whichever is lower.**
- (e) Repayment obligation on account of loan, if any, availed by the borrower for purchase of fixed assets will be deducted while arriving at the net income of the borrower for the purpose of loan eligibility. DSCR of the existing loan(s) must remain within the corresponding benchmark values of DSCR as per the Bank’s policy.

#### 4.2.4. Business Income:

##### Home Loan to Businessmen

1	Eligibility	Businessmen (non-salaried customers), whose businesses have been making profit continuously over last three years. Their units should have paid all the government dues including income tax, sales tax/VAT, electricity bills, customs/excise etc. upto the previous balance sheet date.@
2	Income considered for loan amount	<b>Higher of the following</b> (i) Income as per latest IT return + Depreciation claimed.* (ii) 5% of annual sales revenue as per latest audited balance sheet.* *In case of partnership firms, depreciation and sales revenue can be reckoned in the profit sharing ratio.
3	Minimum loan amount	Rs.25 Lacs
4	Minimum Margin *	30%
5	Interest rate *	As per card rates or applicable festival season/campaign rates. No interest rate concession to be given under the discretion of Circle functionaries.
6	Type of facility *	Term Loan. (Max Gain in the form of Overdrat facility not permitted)
Other criteria for loan eligibility would be the same as that in case of SBI Home Loan.		

@ Businessmen ( non-salaried class of customers) whose Home Loan eligibility is calculated on the basis of Income Tax returns would continue to be eligible to avail Home Loan under the existing Home Loan scheme and the norms like margin, minimum loan amount etc. applicable to therein would be applicable in such cases as per the existing Home Loan scheme.

\* Higher margin and other stipulations would be applicable only when loan amount eligibility is worked out on the basis of Annual Sales Revenue instead of I.T. Returns.

This scheme is applicable to all centres covered by RACPCs.

## 5. Net Monthly Income (NMI) / Net Annual Income (NAI)-Explanations:

5.1. Salaried persons: NMI means monthly income net of all statutory deductions.

5.2. Other than Salaried persons: NAI means annual income as per latest income tax return filed.

5.3. Agriculturists: NAI should be arrived at, based on the nature of their activity (e.g. farming, dairy, poultry, orchards), land holding, cropping pattern, yield etc. and average level of income derived there from in the area.

## 6. EMI/NMI Ratio

a) Based on in come-wise graded ratio as under:

Net Annual Income	EMI/NMI ratio
Upto Rs.60,000/-	20%
Above Rs.60,000/- and upto Rs.1,20,000/-	25%
Above Rs.1,20,000/- and upto Rs.2 lacs.	30%
Above Rs.2 and upto Rs. 5 lacs.	50%
Above Rs.5 lacs and upto Rs.10 lacs.	55%
Above Rs.10 lacs.	65%

Increase upto 5% in the above ratios may be permitted by the controller of the Branch/ RACPC, which processes the loan application, depending on the family size and availability of disposable surplus income. **Equated Monthly Installment (EMI) for the purpose of computing the EMI/NMI ratio will include all EMIs towards existing loans and the proposed loan, therefore existing EMIs should not be deducted from Gross Monthly Income for the purpose of computation of NMI.**

b) **Limit enhancement due to SBI Life premium** : In cases where the customer opts to avail SBI Life Dhanaraksha policy, the stipulations are as under:

Margin on Premium: 0%. Loan limit is increased by the premium amount.

Interest Rate: The loan will carry the same rate of interest after adding the premium amount to the loan amount.

EMI/NMI Ratio: Increase in EMI/NMI Ratio to the extent caused by addition of premium amount to the Loan Limit will be automatically permitted.

(General Manager (Net Work) vested with a discretion to permit EMI/NMI ratio upto 70% in case of Home Loan customers whose Net Annual Income (NAI) is Rs.10 lacs and above.)

## 7. Margin:

Minimum margins as under should be maintained at loan origination.

Loan amount	Margin (Min.)		Maximum LTV Ratio (Max.)	
	For House under construction	House for ready possession	For House under construction	House for Ready possession
Upto Rs.75 Lacs	20%	15%	80%	85%
Above Rs.75 Lac	25%	15%	75%	85%

### 7.1. Concession in margin:

7.1.1 Circle CGMs vested with a discretionary powers to reduce margin by 5% (i.e. from 20% to 15% for loans upto Rs.75 lacs and from 25% to 20% for loans above Rs.75 lacs.) on loans to the following categories of borrowers :

- Very senior corporate executives / Government officials / leading doctors / Chartered Accountants / Architects.
- High value / big ticket individual loans of Rs.25 lacs and above in the cities of Mumbai, Chennai, Delhi, kolkata, Bangalore, Hyderabad and Pune and Rs.15 lacs and above in other centres.
- Short term promotional campaigns, including property fairs, for a maximum period of 7 days.
- Tie-up with Government departments and reputed corporates / institutions / builders (valid subject to acceptance of the letter of offer by the Govt.Dept / Corporate / institution / builder within one month from the date of offer letter)

(Circle CGMs can also reduce margin upto 10% in case of Home Loans sanctioned for purchase / construction of **first house** of the applicant. This concessional margin is applicable only in the four metros and emerging metros i.e. Bangalore, Pune, Hyderabad and Gurgaon.)

7.1.2. GM of Network can reduce margin **upto 10%** below the stipulated margin under builder tie-up and under 'SBI- Upfront Scheme' (i.e. Advance Disbursement Facility - ADF)

***(Cumulative reduction in margin under discretionary powers of different functionaries is restricted to 10 %.)***

## 8. *Interest Rate:*

### 8.1. Migration to Base Rate System with effect from 01<sup>st</sup> July 2010

The Bank, in accordance with the RBI guidelines is migrating to Base Rate system of interest rates with effect from 1<sup>st</sup> July 2010. Accordingly:

- (a) Home Loans interest rate cannot be below the Base Rate,
- (b) Existing Home Loans on the books of the Bank as on 30<sup>th</sup> June 2010 may continue to be linked to SBAR system through their respective maturities,
- (c) If the existing borrowers desire to switch to the new Base Rate system, an option may be given to them on mutually agreed terms, without any switchover fees/charges.

2. The following method may be adopted for switchover whenever an existing customer approaches the Bank for switching over from BPLR linkage to Base Rate linkage:

- a) Calculation of spread above the base rate (say X%) : Effective rate (linked to Base Rate) on the date of switchover *less* Base Rate on the date of switchover.
- b) New rate to be quoted as X% above Base Rate,  
e.g. If a customer who has availed Home Loan under SBI Easy Home Loan scheme desires to switch to Base Rate system during the first year of the loan, then the interest rate during the first three years will remain fixed as contracted. Floating interest rate linked to SBAR applicable from the 4<sup>th</sup> year will be switched to Base Rate as under:
  - a) Spread (X %) = 9.25% p.a.-7.50% p.a. =1.75% p.a.
  - b) New rate linked to Base Rate to be quoted as = 1.75% above Base Rate, present effective rate being 9.25% p.a.

3. Our vanilla Home Loan products are being offered concurrently with the SBI Easy and SBI Advantage Home Loans. Interest rates in such cases are fixed (subject to reset after every 2 years) or floating (linked to SBAR) will now be linked to Base Rate as per the details furnished at *Annexure AJ*.

5. Interest rates of our existing Home Equity products namely (i) SBI Home Plus, (ii) SBI Reverse Mortgage Loan will also be linked to Base Rate as per the details furnished at *Annexure AK*.

### 8.1. Fixed and Floating Rates

- i. Interest will be charged at the rates prescribed by the Bank from time to time.
- ii) Borrowers availing loans upto Rs. 75 lacs can opt for paying interest either at fixed rate or floating rate.
- iii) Interest on individual loans for over Rs. 75 lacs must be charged only at the floating rate interest linked to Base Rate

## 8.2. Floating Interest Rate:

Floating Interest rate is linked with Base Rate the rate will change with the changes in Base Rate. As and when changes take place in the floating rate, these need to be advised to the borrowers opting for such a rate.

## 8.3. Fixed Interest Rate:

Fixed interest Rate does not change with the changes in Base Rate. Home Loans with repayment tenure upto 10 years only can be sanctioned under fixed interest rate. To effectively hedge the interest rate risk due to the long tenure of the loans, fixed interest rate should be reset at the following frequencies on the basis of the fixed interest rates prevailing then with 'force majeure' clause to alter applicable fixed interest rates suitably and prospectively in the event of major volatility in interest rates during the tenure of the loan.

- i) At the end of every *Three years* for the loans sanctioned w.e.f. 17<sup>th</sup> August 2005.
- ii) At the end of every *Two years* for the loans sanctioned w.e.f. 01<sup>st</sup> March 2006.
- iii) At the end of every *Five years* for the loans sanctioned under the schemes SBI Special Home Loan, SBI Hi-Five, SBI Easy Home Loan and SBI Advantage Home Loan (For Fixed Rate option from 4<sup>th</sup> year onwards)  
(For details, reference may be made to the respective schemes.)

**Reset clause is not applicable for Loans sanctioned under Fixed Interest Rate upto 16<sup>th</sup> August 2005.**

## 8.4 Basel-II Capital Adequacy Framework Risk Based Premium / Discount

With a view to migrate to Basel II Capital Adequacy Framework with effect from 1<sup>st</sup> April 2008, a lower risk weight is assigned to Home Loans with Loan to Value (LTV) ratio of 75% or less.

LTV ratio is expressed as percentage of loan outstanding to the value of property mortgaged to the Bank as security. Risk weights on Home Loans as per Basell II Final Guidelines issued by RBI are as under :-

LTV ratio	Risk weight on loan	
	Upto Rs.30 Lacs	Above Rs.30 Lacs
Upto75%	50%	75%
Above 75%	100%	100%

To avail benefit of lower risk weight under Basel II norms and to limit the credit risk on account of asset price correction and delinquencies in loan repayment, Risk Based Premium / Discount has been introduced in the interest rate

structure. Accordingly, premium would be added to the applicable card rate and discount would be deducted from the applicable card rate on the basis of risk perception measured on two parameters viz. Margin and EMI/NMI ratio. Also minimum margin of 10% would be mandatory for all Home Loans. Total of risk based discount, special concession and discretionary concession in case of Floating/Fixed Interest Rate should not be more than the ceiling advised from time to time, presently 0.25%.

*Under this Interest rate structure applicable interest rate would be worked out as under:*

**Applicable Interest Rate** = Card rate - (minus) Special concession -(minus) Discretionary concession+(plus) Risk Premium or - (minus) Risk Discount. If applicable interest rate worked out as above is less than the floor rate, then floor rate would be quoted.

**Floor rate** - Floor rate is the lowest rate below which Home Loans may not be sanctioned (except under special schemes like SBI Easy Home Loan, SBI Advantage Home Loan) is Base Rate plus 1.50% **i.e. 9.00% p.a.** with present level of the Base Rate at 7.50% p.a. The floor rate would be applicable to Home Loans sanctioned to public.

*For current interest rates, reference may please be made to latest circulars/ website of the Bank.*

8.5. **Special concessions** : Following special concessions are available on interest rates:

- (a) 0.10% if salary\* account is maintained with us
- (b) 0.25% under SBI Green Home Loan
- (c) 0.10% under Plus\* schemes to Govt. employees and teachers.
- (d) 0.10% for rural housing under SBI Gram Niwas scheme, SBI Sahayog Niwas (for SHGs)
- (e) concessions under Corporate or builder tie-ups subject to a ceiling of 0.25%

\*Note - Concessions under Plus schemes are not allowed to run concurrently with the concessions for maintaining Salary Account

8.6. *Discretionary Concessions:*

**Circle CGMs** will have discretionary power (except under special schemes like SBI Easy Home Loan, SBI Advantage Home Loan) to sanction Home Loan interest rate concession upto 0.25% for loans with tenor above 5 years and without Margin Concession. This discretion will be subject to the proviso that the rate charged to the borrower **will not go below Base Rate plus 2%, current effective floor being 9.50% p.a., after allowing the discretionary concessions.** *Circles are advised to use discretionary powers judiciously for getting further business for the Bank.*



**Circle CGMs, however, would not exercise any discretion in the following cases:**

- where interest rate concession already approved (i.e. under corporate salary package /corporate tie-ups/ builder tie-ups and festival / promotional campaign)
- Proposals fall beyond the sanctioning powers of CCC-I (i.e. proposals fall within the sanctioning powers of WBCC/CCCC/ECCB.)

**8.7. Penal Interest on Irregular Loans:**

- i. No penal interest should be charged for Home Loans upto Rs.25,000/-
- ii. For Home Loans above Rs.25000/- , if the irregularity exceeds EMI or Installment amount, for a period of **one month**, then penal interest should be recovered @ 2% p.a. (over and above the applicable interest rate) on the overdue amount for the period of default. If part installment or part EMI remains overdue, then penal interest should not be levied.

The sanctioning authority has been given the discretion for sanctioning waiver of application of penal interest for default in payment of interest/installment in case of Term Loans subject to the

- (a) waiver will only be ex-post facto, i.e. the system will levy penal interest as per the rule and sanctioning authority can permit refund.
- (b) Discretion should be utilized only where the borrowers' claims for waiver is merited on facts such as late presentation of PDCs by us etc.

RACPCs / Branches should send letters as per *Annexure-HL- AG* to all the borrowers to caution them against occurrence of irregularity in the accounts. A copy of the Notice may also be displayed in the RACPCs / Branches notice board for information of all the borrowers. Notice as per *Annexure-HL-AH* should be addressed to all defaulting borrowers advising them to regularize the loan within 30 days of occurrence of irregularity and his / her liability to pay penal interest in case of failure to regularize the loan within the stipulated period.

**9. *Processing Fee***

<b>Loan Amount</b>	<b>Processing Fee</b>
Upto Rs.5 Lac	Rs.1000/-
Above Rs.5 Lac and upto Rs.10 Lac	Rs.2000/-
Above Rs.10 Lac and upto Rs.20 Lac	Rs.5000/-
Above Rs.20 Lac and upto Rs.50 Lac	Rs.7,000/-
Above Rs.50 Lac and upto Rs.1 Cr	Rs.8,000/-
Above Rs.1 Cr and upto Rs.5 Cr	Rs.10,000/-
Above Rs.5 Cr	Rs.20,000/-

Note - In some cases the loan amount may shift to the higher bracket due to sanctioning of loan for payment of one time premium of SBI Life policy. Increase in the processing fee for this reason may act as a psychological barrier for the customer to opt for SBI Life policy. It has therefore been decided to exclude loan component for one time premium of SBI Life policy, if any, from the total loan amount for the purpose of processing fee calculation.

9.1. Recovery / refund of Processing Fee :

Processing fee remitted by the customer should be appropriated as under :

Parameter	Mode of appropriation
a. On sanction/rejection of the loan application by the Sanctioning Authority after complete processing (including obtention of search and valuation report and pre-sanction survey).	Entire amount should be credited to Commission Account
b. On rejection of the loan application after pre-sanction survey	25% of the fee should be retained by us and credited to Commission Account and the remaining amount should be refunded to the applicant by issue of banker's cheque crossed 'Account Payee Only' or by credit to SB/CA of the applicant.
c. On rejection of the loan application after inspection and obtention of legal/valuation report	-do-
d. If the loan application is not found to be acceptable on initial scrutiny.	Should not be recovered

10. **Pre-closure penalty**

(i) If the loan is **pre-closed** from own resources for which proof is submitted by the borrower, pre-closure penalty shall not be levied irrespective of the period for which the account has run. In other cases, where such proof is not produced by the borrowers, 2% penalty on the amount prepaid in excess of normal EMI dues should be levied in case of **pre-closure** of Home Loans within 3 years from the date of commencement of repayment.

(ii) Since the penalty is levied only in case of pre-closure of loan, the penalty shall be termed, with a view to conveying the proper meaning, as "**Pre-closure penalty**" instead of the term "Prepayment penalty" used presently. This change will add a marketing edge to our product.

(iii) Benefits of this amendment shall be extended to our **existing Home Loan borrowers** also wherever loan agreements carry the prepayment penalty clause.

## 11. Recovery of Lawer's and Valuer's fee

- Amount paid in cash/by issue of cheque by the applicant towards Lawyer's and Valuer's fee should be appropriated, wherever the property documents are sent for search/valuation irrespective of the sanction or rejection of the loan.
- However, the cheque issued by the applicant should be returned/ amount refunded if paid in cash, if the search/valuation is not carried out.

## 12. Security

### 12.1. Primary:

Ordinarily an equitable mortgage by deposit of title deeds of the immovable property should be obtained to save high cost of legal expenses involved in registered mortgage. The title deeds of the landed property/ flat/ house etc. must be examined by the Bank's advocate who should certify in the search report that the mortgagor's title to the property is clear and that a valid equitable mortgage can be created. Where title deeds are not available or where it is considered necessary by the sanctioning authority, a Registered Mortgage of the immovable property should be obtained.

### 12.2. Collateral:

If mortgage of the property being financed is not possible, sanctioning authority may accept, at its discretion, security of adequate value in the form of Life Insurance policies, Government Promissory Notes, shares/ debentures, gold ornaments or such other tangible security as may be deemed appropriate, subject to the margins stipulated in the schemes for finance against the securities concerned.

### 12.3. Pari-passu/ Second Charge:

Discretionary power for administrative approval for acceptance of pari-passu charge /second charge over property shall be as under:

- i) For loans upto Rs.30 lacs in case of loans given by reputed employers. --AGM (Region) / AGM (Branch)
- ii) For loans above Rs.30 lacs - GM (Network)

**(Cumulative LTV ratio should be as per the Banks norms.)**

The set of documents to be obtained for creating pari passu / second charge are furnished in *Annexure-HL.Pari-Pasu1-8*

### 12.4. Interim Security pending creation of Mortgage.

Wherever creation of mortgage is likely to be delayed for any valid reason, suitable security including third party guarantee, as considered necessary, may

be taken for the interim period. The Agreement to Mortgage should be executed by the borrower and the mortgage, as prescribed, must be created subsequently at the earliest.

Sanctioning Authority is vested with discretion to waive interim security in cases:

- where an applicant is of undoubted integrity and standing,
- The interim security may also be waived in the case of take-over of bulk loans of employees of reputed corporations and institutions, if check-off facility is provided along with an irrevocable undertaking for making repayment of outstanding loan out of any amount payable to the employee including terminal benefits on retirement/ resignation towards all dues pertaining to the account.

#### 12.5. Acknowledgement of Lien:

Where house/ flat is being purchased from the Housing Board/ Govt. Institution/ a reputed builder, the original letter of allotment/ Agreement for sale should be obtained from the agency/ builder who is providing the house/flat to the applicant. A letter duly signed by the allottee advising the concerned agency/builder that a security over the house/flat is being created in favour of the Bank and the title deeds to the said property should be sent to the Bank direct on final payment must be obtained and forwarded to the concerned agency/builder and their confirmation for agreeing to do the needful should be obtained and kept on record.

In the case of allotment of flat/house by a Society, the original share certificate/allotment letter issued by the Society to the allottee along with copy of the bye-laws of the Society concerned should be obtained and kept on record. The society must be advised of the Bank's interest in the evidencing title of the borrower to the property being purchased. The acknowledgement of the society for agreeing to do the needful must be obtained and kept on record. As Societies come under State Cooperative Societies Act, these documents would vary from State to State. Some security including third party guarantee may be taken during the construction period, wherever considered necessary to safeguard the Bank's interests. Format of NOC to be obtained from the seller/builder is enclosed at *Annexure / HL- V*

#### 12.6. Execution of Documents on the basis of Power of Attorney

Not permitted for resident Home Loan borrowers, except borrowers employed in Defence Services and NRIs.

#### 12.7. For borrowers employed in Defence Services:

- The sanctioning authority may allow execution of Home Loan documents, except Loan Application which must be signed by the borrower himself/herself, by duly Constituted Attorneys in cases of "Defence Employee" borrowers,

- The Power of Attorney would be restricted to close relatives namely Spouse, Father, Mother, Brother, Sister, Son, and Daughter of the “Defence Employee” concerned.
- After execution of the documents by the duly Constituted Attorney for and on behalf of “Defence Employee”, a written confirmation to be obtained from the “Defence Employee” concerned by way of a letter confirming execution of the documents by the Attorney including creation of security by way of mortgage.
- Power Of Attorney for this purpose should be obtained in the format placed at *Annexure/HL-H*. A certified photocopy of Defence Identity Card should also be attached to the Power of Attorney.

### **13. Sanction of Loans / Administrative Clearance**

- 13.1. If the proposal is strictly within the scheme, no administrative clearance is required for loan proposals **upto Rs. Five crore**.
- 13.2. Proposals involving concessions / relaxations / deviations in the extant norms, the same may be put up to group head (DMD &GE (NBG) ) for approval.
- 13.3. For loans **above Rs.Five crore**, proposals for approval / sanction have to be submitted to WBCC/CCCC/ECCB as per *Annexure /HL-R*.
- 13.3.1. Loans upto Rs.Five crore, sanctioned by CCC-I, have to be reported to WBCC as per *Annexure /HL-S*
- 13.4. *Purchase of house /flats which are more than 15 years old:*  
Administrative Clearance should be obtained from the next higher authority where the sanctioning authority is AGM RACPC / AGM Branch or an official of a lower grade for cases other than those mentioned in the following paragraph.
- 13.4. 1. No administrative approval is required, subject to the following –
- i) the expected longevity of the structure, as certified by an empanelled structural engineer / architect is at least 5 years more than the loan tenor.
  - ii) Unexpired lease period, in case of lease hold properties, is at least 5 years more than the loan tenor.
- 13.5. **CIBIL Report:** If liabilities appear in CIBIL report, relates to Credit Card dispute like charges for late payment, finance charges, interest charges etc. Sanctioning authority upto the rank of an AGM shall have discretion for accepting proposals with disputed outstanding upto Rs.5,000. For disputed amounts exceeding Rs.5,000/- , discretionary powers shall be as under –

<b>Disputed amount</b>	<b>Authority</b>
Above Rs.5,000 and less than or equal to Rs.25,000/	DGM(O&C)
Above Rs.25,000/-	GM(Network)

#### 14. *Multiple Deviations/concessions*

If multiple deviations/concessions are required in one proposal all of such deviations/sanctions will be approved by the highest authority in the Circle authorized to approve the required deviation/concession in the proposal, e.g. if AGM (Region) is authorized to approve one of the deviations and other deviation requires approval of GM (Network) then both the deviations should be put up to the GM (Network) for approval. Corporate Centre however, shall continue to approve only those deviations that are beyond the discretionary powers of the Circle authorities.

#### 15. *Turn Around Time (TAT) :*

The loan will be sanctioned at RACPC / RASMECC within 6 working days after receipt of application complete in all respects.

#### 16. *'In-Principle' approval given to prospective Home Loan borrowers:*

In order to give greater flexibility in negotiations and to improve our thrust in this priority area, it will be in order to give an 'in-principle' approval for a home loan prior to identification of a specific house / flat by a prospective borrower. To safeguard the Bank's interests it should, however, be clearly specified in the approval letter that the Bank is under no commitment or obligation as the actual sanction or disbursement would depend upon the value and acceptability of the security to be offered (i.e., the house / flat to be financed), legal and technical clearances, and the creation of a valid mortgage. The 'in-principle' approval shall be **valid for 30 days** from the date of issue, subject to that at least partial disbursement of the loan is made before the expiry of the validity period. The 'in-principle' approval should be conveyed on the lines of the specimen letter furnished in *Annexure/HL-N*

#### 17. *Record of Applications received & disposed off:*

A proper record of all applications received and disposed off should be maintained in the "Applications Received and Disposed Register" for effectively monitoring the actual time at every stage.

#### 18. *Option to avail loan other than the place of construction:*

Prospective borrower(s) can exercise one time option while submitting loan application, to avail Home Loans either at the place of construction or place of employment/profession/business activity, by securing the loan repayment through check-off facility or by obtaining post-dated cheques as per extant instructions. **In case of Defence Salary Package (DSP) account holders, place of posting and the place where salary is drawn may not be necessarily same, especially when the posting is in the borders. Accordingly, DSP account holders can avail Home Loan at a branch/ RACPC at any one of the places (a) Place of posting (b) Place where salary is drawn and (c) Place of construction of property, as per his convenience.** This instructions will be applicable to

other variants of HL products also viz. 'SBI-Realty'/'SBI-Flexi'/'SBI-Maxgain'/'SBI-Optima'/'SBI-Freedom' etc.

The above customer-friendly modification of the Home Loan product will enable branches to effectively leverage the potential to tap business emanating from this niche segment of customers, specially the new breed of young generation customers who are employed in IT/ITES sector. As such, marketing initiatives may be chalked to improve public awareness of the value added option. Needless to add, the option should be extended only on a selective basis, in respect of such requests from businessmen/industrialists etc., keeping in view the apparent risks involved in this regard.

Meanwhile, it should be ensured that there is no laxity in meticulous follow-up of servicing of EMIs/replenishment of post-dated cheques/periodic renewal of the insurance policies/obtention of revival letters from the borrower(s)/guarantors etc. Overdues, if any, including bouncing of cheques should be promptly taken up with the delinquent borrowers, to preclude the possibility of slippage of such assets to NPA.

#### 19. *Equated Monthly Installment (EMI) :*

Principal amount and interest receivable for a given interest rate and loan tenor are recovered by way of Equated Monthly Installments (EMIs). EMI may be computed using the formula as under:

$$EMI = P[i(1+i)^t / (1+i)^t - 1]$$

(where *i*=monthly interest rate, *t*=number of monthly installments, and *P*=Principal amount.)

Table of EMIs for different interest rates and loan tenors is furnished at Annexure/HL-AF

#### 20. *Repayment period:*

20.1 Maximum 25 years (or) Up to the age of 70 years (the age by which the loan should be fully repaid) of the borrower, whichever is early. "Moratorium period from disbursement of first installment of the Home Loan may be allowed up to 36 months in conformity with authority structure for this purpose

#### 20.2 Moratorium period (Repayment holiday)

With the advent of integrated townships and mega-residential complexes with several towers which take longer time for completion, the policy regarding moratorium period for construction has been reviewed so as to align the repayment schedule with that of building completion.

According to the advises received from experts in the construction field, the time taken for construction of a building of upto 7 floors is 18 months under normal circumstances. For every 6-7 additional floors, the construction period would extend by 6 months.

1. Based on the above, it is observed that the current moratorium period of 18 months may be considered adequate upto 7 floors for each tower. Beyond that we may consider additional 6 months for each 7 floors *subject to a maximum period of 36 months. Moratorium may be fixed for each tower separately*, if the whole project comprises more than one tower as under:

No. of floors	Maximum Permissible Moratorium
Upto 7	18 months
14	24 months
21	30 months
More than 21	36 months

2. Moratorium is therefore not linked to the execution period of the project as a whole. Rather it is linked to the execution period for each building in the project.
3. In many cases, the Occupancy Certificate may be issued by the municipal authority only after the completion of certain common facilities in the project such as drainage, landscaping etc and not after the completion of each tower. In such a case, moratorium period beyond that indicated in the above table but in any case not exceeding 36 months, may be allowed.
4. Relaxation of moratorium period beyond 18 months to a customer/project should be done on a selective basis. The relaxation may be automatically given under Builder Tie-Up based broadly on the above norms. However, for projects not under tie-up, due care may be exercised.

A) For construction :

“Moratorium period from disbursement of first installment of the Home Loan may be allowed up to 36 months in conformity with authority structure mentioned below or till 2 months after completion of construction whichever is earlier.

*Authority structure for sanctioning of moratorium period shall be as under –*

1. For moratorium period upto 18 months : Sanctioning authority
2. For moratorium period above 18 months and upto 24 months :
  - a) For Home Loan under approved project/builder tie-up:  
AGM(RBO)/ AGM(Branch)
  - b) For construction of individual house or for Home Loan under projects not under builder tie-up : GM(Network)
3. For moratorium period above 24 months and upto 36 months : GM (Network)

B) For purchase of ready built house/flat and purchase of plot for construction of house under ‘SBI Realty’ one month from the date of disbursement of the loan.



20.2.2. The moratorium period is to be included within the maximum repayment period.

**21. *Recovery of Interest during moratorium period.***

Interest applied during the moratorium period should be recovered.

**21.1. Capitalization of pre-EMI Interest :**

At the request of the borrower **recovery of interest during the moratorium period may be deferred only if moratorium period does not exceed 18 months.** In such cases, the EMI should be fixed on the basis of the loan amount and the total of interest to be applied (on compounding basis) to the loan account during the moratorium period on the presumption that the entire loan is disbursed on the date of first disbursement.

21.2. Bank's Statutory Auditors have observed in the case of Home Loans where moratorium periods are prescribed that the Limit and DP do not properly reflect the correct position where borrowers opt for capitalization of pre-EMI interest, which results in outstandings in the loan account exceeding the Limit and DP even before commencement of repayment of EMI. As such, Statutory Auditors have been objecting to classification of such irregular accounts as Standard Assets (irregular due to borrowers opting for capitalization of pre-EMI interest.)

In light of the foregoing, the following procedure to be adopted for capitalization of pre-EMI interest of Home Loans to ensure that such accounts do not become irregular inviting adverse comments during Statutory Audit exercise:

- i. Eligible loan amount will be computed also suitably taking into account approximate pre-EMI interest, duly compounded at the applicable interest rates so that actual outstandings will always remain within the limit.
- ii. In respect of existing loans where borrowers have opted for capitalization of pre-EMI interest and where the repayment is yet to commence, the Sanctioning Authority shall suitably enhance the sanctioned limit by granting additional Home Loan subject to compliance with the stipulations in this regard and obtaining suitable security documents.
- iii. Built in provision for the borrowers to tender post-dated cheques drawn at monthly intervals to service Pre-EMI interest, wherever they opt for servicing pre-EMI interest.

***vi) Pre-EMI interest should be recovered as and when applied for a loans sanctioned with a moratorium period beyond 18 months***

## 22. *EMI Reset.*

- 22.1 After completion of the moratorium period, should the borrower request for a change in the EMI on the basis of the actual outstandings (i.e. balance including accrued interest applied to the account during the moratorium period), the same may be permitted only after a fresh check-off facility for the revised EMI is registered with the employer or new set of post dated cheques for the revised EMI have been obtained.
- 22.2. In case of loans subject to floating rates of interest, EMI already fixed need not be increased/ decreased whenever there is rise/ fall in the floating rate of interest. Under such circumstances the number of installments would either increase or decrease depending upon the net effect of interest fluctuations on the total amount to be repaid by the borrower.
- 22.3. On written request of the select borrowers, the sanctioning authority may re-fix the EMI downwards consequent upon decrease in the floating rate of interest provided.
- i. the conduct of the account has been satisfactory and the account is Standard Asset,
  - ii. the original home loan was of Rs.5 lacs or more and the downward revision in the floating rate of interest is 1% more as compared to the rate prevailing at the time of sanction of the loan.
- 22.4. The upward/ downward re-fixing of EMI can be granted only twice during the tenure of a loan. At each such instance, RACPCs / branches must ensure to establish a fresh check-off facility or arrange to obtain fresh post-dated cheques.
- 22.5. Part/ Balloon Payments  
Part payments or balloon payments may be permitted in respect of loans sanctioned at both the options of interest rate, i.e. fixed rate & floating rate. RACPCs / Branches may permit re-fixing of EMI downward if 20% or more of the outstanding amount is prepaid in one instance.

## 23. *Check-off facility.*

Check-off is a process by which the salary-disbursing officer undertakes to deduct loan installments from the salary of the borrower and remits the same to the Bank for credit of the loan account. Obtention of the following further documents are involved in the process:

- i) Irrevocable authority from employer for making payment out of any amount payable to the employee, e.g. terminal benefits in case of his/her retirement, resignation, and discontinuance of service or death.
- ii) Undertaking from the employer to obtain a NOC from the Bank before settling the dues of the borrower on transfer, resignation, retirement, etc.

However, obtention of the above documents referred to in (i) and (ii) above could be waived by the sanctioning authority in the case of employees of Central/State Government, PSUs, Universities and reputed colleges. In the case of other employers, the CGM of the Circle could waive the requirement. However, there should be no waiver of this stipulation in the case of IT sector employees.

Alternatively, check-off would also include situations where:

- the employer pays the borrower's salary into his Savings/Current Account with our Bank,
- the borrower gives an irrevocable Standing Instruction (SI) for recovery of the loan installments from his aforesaid account; the SI should be synchronized with the date of credit of salary in the borrower's Savings/Current Account, and also
- the employer undertakes to inform the Bank if and when there is a severance due to borrower's transfer, resignation, retirement etc.

It should be ensured that the check-off authority letter is signed by a competent authority.

Check-off facility may be established with the employer concerned, when loans are sanctioned to the following categories of salaried persons.

- i. Employees of the State and Central Govt. undertakings in good health and paying salaries regularly.
  - ii. Employees of reputed institutions, e.g. Universities, Hospitals.
  - iii. Employees of reputed partnership firms / private and public limited companies.
  - iv. Employees of reputed private and public sector undertakings
- 23.1. An Irrevocable Letter of Authority as per Annexure/ HL-C and a Letter of Undertaking as per Annexure/ HL-D should be obtained respectively from the borrower (employee) and the employer.
- 23.2. A Letter of Undertaking as per Annexure/ HL-E should be obtained when loans are granted to the Government officials who themselves are the drawing and disbursing authority.
- 24. *Post Dated Cheques (PDCs).***

Where check-off facility is not available, post-dated cheques should be obtained, each cheque being equal to the amount of the EMI fixed. The under mentioned instructions with regard to obtention and custody of the PDCs should be followed.

- i. No. of cheques: At least 48 cheques or cheques covering the full/ remaining repayment period, whichever is less, should be obtained at each instance.

- ii. Diary Note: A suitable diary note for obtaining fresh 48 or lesser number of cheques where the remaining repayment period is less than 48 months, should be made after 42nd month so that a clear period of six months is available for pursuing the matter with the borrower.
- iii Scrutiny of cheques: Cheques should be scrutinised to ensure that these are properly/ correctly filled in and duly signed.
- iv Crossing of Cheques: Immediately after scrutiny of the cheques, they must be stamped with the Bank's special crossing stamp.
- v Date of Cheques: The date of each cheque should synchronise with the date on which the monthly salary/ rent etc. of the employee is normally credited to his account. In case the deposit account of the borrower normally has a sufficient balance, the cheques should be dated prior to the 7th of the month concerned.
- vi Collection of cheques: If cheques are drawn on the branch itself, branches may put through the debits to the accounts on 4 or 5 pre-determined dates so that the task is not spread over the whole of the month disrupting the other daily routine work. If the cheques are drawn on other branches / banks, they may be similarly presented through clearing on some fixed dates.
- vii Custody of cheques: The cheques should not be retained along with the loan documents to avoid unnecessary handling of documents. In branches, the cheques must be held by the Asst. / Deputy Manager (Loans) or the officer handling 'P' segment advances in joint custody of the Manager PBD or Accountant or Cash Officer. In case of RACPCs /RASMECC, the custody of PDCs should be kept as prescribed in BPR Process manual. The PDCs should be kept in a fire proof safe/ locker.
- viii Cheques returned unpaid: Should any cheque be received unpaid from the drawee bank for want of sufficient funds, the borrower should be immediately contacted. On a written request of the borrower the cheque should be again presented to the drawee bank within a period of three days from the date of its return.
- ix Legal action on account of unpaid cheques: In the event of the cheque being dishonoured or returned unpaid on account of (a) insufficient funds, or (b) closure of the account, or (c) payment being stopped by the borrower, the branches should take the following steps for initiating legal action under Section 138 of the Negotiable Instruments Act. 1881.

Step 1: Within 15 days of the receipt of advice of dishonour from the drawee bank, the branch must give a notice in writing to the drawer, calling upon him to pay the amount of the cheque within 15 days of receipt of the Bank's notice.

Step 2 : The period should be carefully monitored by maintaining the record of each such case in a special register. If the borrower fails to make the payment of the overdue EMI represented by the dishonoured cheque within the period mentioned in the notice served on him, Step-3 should be taken.

Step 3: A complaint should be filed before the Metropolitan Magistrate or First Class Magistrate, within one month from the date of cause of action (i.e. from the expiry date of the period mentioned in the notice) e.g. : Cause of action arose on 1.1.2001, under Step-2, (that is failure to pay within time mentioned there) the complaint should be filed on or before 31.1.2001.

Step 4: During the pendency of the complaint, if the drawer desires to compound the offence, branch can withdraw the complaint on receipt of the amount of the cheque together with interest, legal cost and other expenses.

It may, however, be noted that the initiation of legal action is a measure of last resort and all efforts should be made to contact the borrower to regularise the position. However, the one month time limit must not be allowed to be exceeded under any circumstances, (except under instructions from the Controlling Office.)

#### **24.1. Electronic Clearing System (ECS)-Debit Clearing:**

Registration of Customer Mandates for Debit under ECS, the following procedure has been devised for the RACPCs /Branches to follow:- (Ref: e-Cir.No.IT/GLOBALIT-PSG/21/2006-07 Dt.24/11/2006)

- (i) All mandates should be received by the branches in triplicate. The original copy after authentication of customer identity, would be returned to the customer; the second copy would be forwarded to the Service branch and the third copy would be retained at the branch as records.
- (ii) The mandates received in triplicate, as mentioned above, shall be recorded properly **Account Wise** (to facilitate validity checking), at the destination branch (A/c holders' branch) in a Register maintained for the specific purpose. The following particulars must be recorded for any future reference at the time of checking validity of the mandates-Date, sponsor bank, beneficiary, amount , upper limit, date of revocation and validity period. The above would be continued till such time the particulars are uploaded in the Bank master/CBS system, and validity is checked by the system. Accordingly these particulars would be incorporated in ECS mandate form -Form No.E-5 (Annexure-AI).
- (iii) The branches were supposed to advise all the customer that they should give fresh mandates to the bank for all ECS Debits being executed by the branches without any mandate in place, and after 31.12.2006, the ECS debits that have not been recorded properly on the basis of mandates, would be returned. The list of ECS Debits received in clearing from time to time could be used as one of the sources, which the destination branches would

make use of, to contact existing customers in this regard. This should be prominently displayed in the Branch Notice Board.

**25. *Papers/ Documents to be obtained along with loan application.***

**25.1. Applicable for all applicants :**

List of papers/ documents applicable to all applicants:

- Completed loan application as per revised format w.e.f 01.03.2006 Annexure/ HL-A.
- 3 Passport size photographs
- Proof of identify (photo copies of Voters ID card/ Passport/ Driving licence/ IT PAN card/ Govt./Defence ID card/ ID cards of reputed employers/ Photo ID card issued by Post Offices)
- Proof of residence / current address (photo copies of recent Telephone Bills/ Electricity Bill/ Property tax receipt/ Passport/ Voter ID card (only if contains the current address)/ Credit Card Statement/ Income/ Wealth Tax Assessment Order/ Ration Card/ Copies of Registered lease & license agreement/ Sale Deed/ Lease Agreement may be accepted as proof of address/ Letter from reputed employer)
- Proof of business address for non-salaried individuals
- Statement of Bank Account/ Pass Book for last six months
- Signature identification from present bankers
- Personal Assets and Liabilities statement on Bank's standard format  
(Annexure /HL-B)

**25.2. For guarantor (wherever applicable):**

- Personal Assets and Liabilities Statement
- 2 passport size photographs
- Proof of identification as above
- Proof of residence as above
- Proof of business address as above
- Signature identification from his/her present bankers

**25.3. Additional documents required for salaried persons :**

- Original Salary Certificate from employer
- TDS certificate on Form 16 or copy of IT Returns for last two financial years, duly acknowledged by IT Deptt.\*

**(\*Relaxation may be permitted by AGM (Region) / AGM (RACPC) / AGM (Branch) in the case of salaried persons, provided sanctioning authority is satisfied about the genuineness of source, amount and continuity of income confirming repayment capacity of the borrower over the loan tenor. In all such cases basis for income verification should be properly recorded in the loan appraisal.)**

**Where check-off is proposed:**

- a) Irrevocable letter of authority vide Annexure / HL-C
- b) Letter from employers vide Annexure / HL-D

- c) Irrevocable Letter of Authority where applicant himself is Drawing and Disbursing Officers vide Annexure / HL-E

25.4. Additional documents required for Professionals/self-employed/other IT assesses :

- Acknowledged copies of three years I.T. returns/ Assessment Orders.\*
- Photocopies of challans evidencing payment of Advance Income Tax.\*  
(\* photocopies to be kept for our records after verification of the originals with suitable noting regarding verification of the original by the official concerned)

25.5. Additional documents required when old property is being purchased:

- Valuation certificate from a Government approved valuer.
- Certificate from the Govt. approved architect/structural engineer certifying the condition of the house/ flat. The condition of the house / flat should be such that the security cover for the Bank's loan remains unaffected till full repayment of the loan.

25.6. Property documents :

- a) Sale Deed, Agreement of Sale, Original share certificate(s) issued by the society.
- b) Copy of approved plan (wherever applicable)
- c) Permission for construction (wherever applicable)
- d) Estimate / Valuation Report from approved valuers in respect of the property to be financed (wherever applicable)
- e) Land and Building tax paid receipts, possession certificate, location sketch of property certified by revenue authorities
- f) Letter of allotment from Housing Board/Society/Private Builder
- g) Original receipts of advance payments towards purchase of flat
- h) Search report / Non encumbrance certificate for the last 13 years from Bank's advocate.
- i) Original of land tax paid receipt and possession certificate issued by the revenue authorities.
- j) Original NOC under ULCR Act 1976
- k) Copy of the relative order in case of conversion of agricultural land
- l) Original No objection certificate [NOC] from Housing Society/Builder
- m) Detailed estimate of cost of construction of house
- n) Letter from the builder/society/Housing Board intimating their a/c number and name of their bankers, for remittance of instalments.

25.7. Other documents :

- a) Lawyer's report as per the standard format approved by the LHO concerned.
- b) Valuation report from empanelled valuer as per the standard format approved by the LHO concerned.
- c) Declaration by the borrower (as per Annexure-A, under SBI Realty) agreeing to construct the house within the stipulated period in case of loan granted for purchase of plot of land.

25.8. Documents relating to repayment :

Where Check-off is available:

- a) Irrevocable Letter of Authority from employee (Annexure / HL-C).
- b) Letter of undertaking from employer (Annexure / HL-D).
- c) Irrevocable Letter of Authority where applicant himself is Drawing and Disbursing Officer (Annexure / HL-E). or in other cases PDCs or standing instructions wherever required may be obtained.

25.9. Security documents :

- a) Memorandum of Term Loan Agreement for Home Loan (Annexure / HL-F)
- b) Guarantee Agreement, if applicable (Annexure / HL-G)
- c) Formalities related to creation of Equitable Mortgage.
- d) Mortgage Deed to be executed by the borrower (only in the case of Registered mortgage)
- e) Agreement to Mortgage, pending creation of mortgage.
- f) Documents in connection with pledge of other securities, wherever applicable.
- g) Arrangement letter (Annexure / HL-I).

h) A single consolidated stamped affidavit and Indemnity sworn before Magistrate/ notary public incorporating the relevant clauses: (a) declaring non availment of other loans against the same property / from other financial institutions (in lieu of No Dues Certificate), delivery of original documents of title etc. (b) to cover risk for Home Loans below Rs.1 cr., where the search report covers only a period of 15 years and which does not reveal any encumbrance (instead of obtaining non encumbrance certificate for 30 years) (c) undertaking that construction is as per sanctioned building plan (plan is to be enclosed to the undertaking (d) to enable the Bank to initiate criminal proceedings against borrowers if they declare incorrect, false or misleading information (to mitigate risks on account of multiple financing/ submission of fake / forged title deeds etc).

25.10. In case of takeovers:

Request letters from borrower to his existing financier and to the Bank for repaying the existing loan. Letter from Bank to the borrower's existing financier to close the borrower's loan account.



25.11. Affidavit to be obtained from Home Loan borrowers :

To comply with the under noted order of the Hon'ble High Court of Delhi and directives issued by RBI a covering letter (Annexure / HL-J) and Affidavit (Annexure / HL-K) have to be obtained from the Home Loans borrowers.

*" We hereby direct that henceforth Banks will check whether the loan sought for is for authorized structure or an unauthorized structure and the banks will obtain an undertaking on an affidavit from the parties seeking such loans that the building is constructed as per sanctioned building plans. Banks shall also ensure that the sanctioned building plans are attached with the undertaking. Let necessary directions be issued in this regard either by the concerned Ministry of Banking or the Reserve Bank of India."*

25.12. Dispensing with obtention of Revival Letters :

Extant stipulation in the Bank's Book of Instructions regarding obtention of Revival Letters and Balance Confirmation for Term Loan which are consuming huge resources in view of increasing number of retail loans, was examined by us. The review was done in the light of the following facts -

- (a) Remedy available to the Bank for taking legal action for recovery of the loan amount (debt) due is limited as per the Limitation Act. Limitation periods for different types of loan as furnished in the following table: -

Type of loan	Limitation Period	Date of commencement of limitation period
TL	3 years	Default in the payment of any of the installments or from the date of acknowledgement of debt/liability in writing by the borrowers and the guarantors or his/her authorized agents.
Equitable Mortgage	12 years	From the date when the mortgage debt falls due, i.e. when a default takes place and the Bank makes a demand on the borrower.
Personal Liability of the mortgagor (other than mortgage security)	3 years	From default of each installment of mortgage loan as mentioned above.
Guarantor, under continuing guarantee	3 years	From date of demand and refusal/breach on the part of the guarantor to carry out the obligation

(ii) In view of the provisions pertaining to Term Loans where limitation starts from the date of default in the payment of any of the installments, according to the legal opinion revival letter/balance confirmation letter could be dispensed with for Term Loans, so long there is no default in repayment of the installments. A delay in remittance of the monthly/quarterly installment should not be taken as a default provided such installment is repaid before the next installment falls due. Reminder for the defaulted installment should be sent to the borrower only. Care has to be taken in such cases not to recall the advance and not to demand the loan amount from the guarantor so as to avoid

triggering of limitation period. If a demand is made on the guarantor and the loan is regularized by the borrower, then the Bank will be required to obtain a fresh guarantee from the guarantor.

It has therefore been decided to (i) dispense with obtention of Revival Letters and Balance Confirmation Letters in case of Term Loan accounts in Personal Segment which are repaid regularly and are standard assets, and (ii) not to make demand on the guarantor(s) unless it is decided to call up the loan and file civil suit or initiate any legal action.

**26. Pre-sanction survey**

On receipt of completed Home Loan application and required documents, pre-sanction survey should be carried out as under :

Place	Procedure
Residence of borrower	<ul style="list-style-type: none"> <li>a. Identify the borrower based on the proof of identification</li> <li>b. Identify the borrower's address on the basis of proof of residence.</li> <li>c. Educational qualifications</li> <li>d. Ascertain period of stay in the current residence</li> <li>e. Whether owned/company leased/rented. If rented, ascertain monthly rent being paid</li> <li>f. Ascertain whether he/she has a credit card and name of the card issuer</li> <li>g. Educational qualification of spouse and children (except minor children).If spouse/children are employed, name of the organization, designation, experience and salary</li> <li>h. Number of school going children</li> <li>i. Number of other dependent relatives staying with the borrower</li> <li>j. Discreet local enquiries with neighbours, opinion makers etc. to ascertain antecedents, credentials of the borrower</li> <li>k. Whether he/she owns a car and/or two-wheeler in his/spouse's name. The vehicle number and name of the owner may be recorded and the name of financiers, if any.</li> <li>l. Sanctioning Authority may make enquiries with the applicant's bankers, if he deems it necessary</li> </ul>
Residence of guarantor	Procedures enlisted a to c above to be followed

Office/work place of borrower (discreet enquiries to ascertain antecedents and credentials of the borrower)	<p>a) In case of salaried applicants - with colleagues, salary disbursement authority ( also with a view to confirm genuineness of salary certificate)</p> <p>b) In case of self-employed/ businessmen/ professionals-with another firm engaged in the same line of activity, one or two firm(s) in the neighbourhood/ concerned industry body.</p>
Builder to establish the genuineness, track record and reputation in terms of timely completion of quality projects	<p>i. With a few other reputed builders in the area</p> <p>ii. With a few of the owners of their completed projects to ascertain quality of construction, timely delivery and conveyance of ownership rights to the purchasers, any litigation/dispute on ownership issues..</p> <p>iii. With the concerned industry body i.e. Chamber of Housing Industry/Builder's Forum etc.</p> <p>iv. With the Builder's bankers</p>
Property proposed to be purchased	<p>(a) Independent and surprise visit to be made to the property.</p> <p>(b) Identify the property based on details in title documents.</p> <p>(c) Landmarks for reaching and identification of the property to be recorded</p> <p>(d) Accessibility/approachability i.e. all modes of transport/ car/two wheeler only/others</p> <p>(e) Ensure that proper access is available to the property i.e. roads etc.</p> <p>(f) Comments on the locality i.e. whether residential/commercial/underdeveloped/trouble prone.</p> <p>(g) Comment whether the area is posh/upper middle class/middle class/lower middle class/slum area</p> <p>(h) Discreet enquiries with the owners/occupants of neighbouring houses in respect of the ownership of the property, information on any pending disputes/litigation etc.</p> <p>(i) Ensure that the property is kept in good and tenantable condition.</p> <p>(j) Ascertain whether the property is rented out and, if so, for how long and the rentals p.m. Whether leased to an institution for occupation of its employees or rented out to an individual /business concerns</p>

26.1. In view of huge growth in our Personal Segment Advance Portfolio in the recent past and the difficulties faced by the branches in carrying out the time & resource consuming task of verification and due diligence functions at the time of sanction of P segment loans, it has been decided to utilize the services of

verification agencies which have been empanelled, duly approved by ECCB for the following 5 services, so as to ensure speed and ease in delivery of retail loans (Refer Circular PB/PL/177A/17 January 12, 2006):

- a) Conducting Residence Address Verification by actually visiting the applicant's residence, followed by back-check over phone.
- b) Conducting Business Address Verification by actually visiting the applicant's place of business/office, followed by back-check over phone.
- c) Conducting Business Phone Verification by making a phone call to the applicant's place of business/office.
- d) Conducting Residence Phone Verification by making phone call to the applicant's residence.
- e) Circles may also consider verification of genuineness of salary slip of income, in some legitimate way, which may be negotiated at Circle level.

The Branch / RACPC should verify 2% of the cases handled during this period by the outside agency, as a cross-check of the quality of their services. Compliance with KYC norms will remain the responsibility of the Branch /RACPC.

- 26.2. Pre-sanction survey should be recorded in the format (Annexure / HL-L) in cases where outside agencies have not been engaged for survey, and in the revised format (Annexure / HL-M) together with surveyor's report where survey has been outsourced.
- 26.3. *Sanction* - Appraisal of the loan should be made in terms of extant instructions within the stipulated Turn Around Time (TAT). The terms and conditions governing the loan should be advised to the applicant through Home Loan Arrangement Letter (Annexure /HL-I). If loan application is rejected, the applicant as well as the controllers should be advised the reasons for rejection in writing within the stipulated TAT.
- 26.4. *Control Card* - Control Card as per Annexure /HL-AC to be maintained for the purpose of check list of compliance of various processes/procedures and carrying snapshot of loan particulars including details of post sanction inspection, should be kept with documents.
- 26.5. *Control Report* - Control Report should be submitted in the standard format enclosed at Annexure /HL- AE with a view to ensuring uniformity in reporting of sanctions.

## 27 *Disbursement of Loans*

- 27.1. Loan should be disbursed on receipt of copy of Home Loan Arrangement Letter, duly signed by all the borrowers and guarantors, if any, within the validity period of the sanction, and after execution of prescribed documents and completion of necessary formalities. To safeguard the Bank's interest and to prevent misuse of funds, disbursements should be made only in phases co-

relating to the actual progress made in the construction, e.g. at stages like completion of plinth, construction of lintel level, completion of roof, etc. as per the sanctioned plan, before effecting disbursements. Certificate from the engineer/ architect confirming stage-wise completion of the house/ flat should be obtained and kept on record. Details of site inspection should be recorded under the signature of authorized official/employee of the Bank, and disbursement should be made only at the borrowers request in writing.

- 27.2. Physical verification of properties mortgaged to the Bank must be carried out and recorded at each of disbursement. Whenever it is established that physical verification of properties mortgaged to the Bank was not done, all the officials involved in the loan sanction process, including the controllers, shall be held responsible for the lapses.
- 27.3. As regards loans for repairs/ renovations/ constructions etc., RACPCs / branches should satisfy themselves about the estimated cost of work involved having regard to the extent thereof, materials to be used, cost of labour and other charges, and after obtaining certificates of the qualified engineers/ architects, as considered necessary.
- 27.4 Disbursement should be made by means of Banker's cheque/DD crossed Account Payee only, duly incorporating the builder's/seller's account number and name of bankers and shall be forwarded directly to the builder/seller by registered AD/Speed post under cover of forwarding letter as per specimen provided at Annexure / HL-AD **Under no circumstances, BC / DD should be handed over to the borrower / his representative / builder's representative etc.**

28. ***Mechanism to be put in place in respect of loan accounts which show delinquency:***

Branches / RACPCs will open a 'Default TL Account Register' and the details of the account will be entered in the Default Account Register (as indicated in Annexure/HL-W), when a borrower defaults consecutively in the repayment of two instalments (monthly / quarterly / half-yearly).

- If the account continues to be irregular for six months from the date of default of two instalments, Revival Letter exercise will be set in motion and the same will be obtained from the borrower and guarantor (irrespective of whether a demand has been made or not on the guarantor) within a period of three months, i.e. before nine months from the date of entry in the register.
- Branches/Processing Centres will submit a monthly report, as per the format in the above i.e. Annexure/HL-W, to their Controllers, who will scrutinize and monitor the position.
- The Register will be subject to scrutiny by the Inspection & Audit Officials also.

29. ***Title deeds verification / Search report***

**Investigation of Title of the Property for Legal Opinion :**

To avoid the possibility of any prior mortgagee bringing a suit for the foreclosure of the property within a period of 30 years, as provided under Article 63 (a) of the Schedule to the Limitation Act. Further the Central/State Govt. can also bring a suit relating to the immovable property which is offered

as a security within a period of 30 years. Accordingly, It has been stipulated that a detailed chain of title for the prescribed period (30 years) should be thoroughly examined by empanelled lawyer to ensure that there are no missing links/suspicious circumstances which create a doubt regarding the validity and legality of the title of the person who claims to be the owner of the property which is offered as the security.

However, market feedback has indicated that other major players in Housing Finance market generally obtain search report for a period of 13 years. This coupled with the delay in submission of search report by the empanelled lawyers have resulted in an adverse impact on the marketing efforts as also turnaround time (TAT) of the loan applications.

In view of the above, the above instruction has now been modified, in terms of which the Bank may request the empanelled lawyer to give a search report within 4 to 6 days covering a period of 15 years. If no encumbrances are found, the Bank can process the application to grant the loan and arrange for execution of documents etc. In the meantime, Bank's empanelled lawyer should make a search for the period of 17 years prior to the 15 years for which search report has already been provided, which may take a period of 5 to 6 days. This course of action will enable the Bank to ascertain whether there are any encumbrances in respect of the property proposed to be mortgaged covering a period of 30 years without causing much delay in the process. On occasions where search report reveals encumbrance on the property which is detrimental to the Bank's interest, the Bank may take immediate steps to either avoid granting of the loan or advise the borrower to rectify the defect in the title, if it is possible

Home Loans for amounts below Rs.1 crore, the Bank can take a limited risk by making a search for a period of 15 years, instead of 30 years. If the search made for 15 years does not reveal any encumbrance, then the Bank has to cover the risk by obtaining a stamped affidavit, as per *Annexure / HL.-K*. However, in respect of properties belonging to Government, Local Authorities, etc., 30 years search report will be necessary. Other instructions in this regard remain unchanged.

### **Registration of Development Agreement, Power of Attorney**

In states where registration of Development Agreement /Power of Attorney is mandatory, *AGM(Region)/AGM(Branch)*– have been given discretion to permit deviation regarding non-registration of these documents, subject to the condition that the Tripartite Agreement is registered. This discretion is restricted for Home Loans to employees of Govt./PSUs and reputed companies whose salaries are routed through the Bank. Further this deviation should be permitted strictly on case to case basis for the above borrowers having creditworthiness as per the scheme parameters and builders with integrity beyond doubt.

## 30. Inspections

### 30.1 Pre-Sanction Process :

#### Standardization of Procedures and Formats: Rationalization Pre-Sanction Inspection Sheet

a) In the wake of the recent provisions in the Bank to outsource the pre-sanction inspection processes in respect of visits to (i) the residence of the applicant, (ii) residence of guarantor, (iii) office/ work place of the borrower, (iv) Builder and (v) Property, it has now been decided to take these three items out of the purview of pre-sanction inspection by the Bank's Staff wherever the services of the outsourced agencies are available. (*Annexure / HL-L -old*) has therefore, been suitably revised.

b) Revised "Pre-Sanction Inspection Sheet" (*Annexure / HL-M- Revised*) enclosed to this letter will now replace the format advised earlier vide Circular No. PBBU/HL/AX/1 dated 1<sup>st</sup> April 2005, (*Annexure / HL-L-old*) for recording of pre-sanction inspection visits by the RACPCs, HLSTs (OSFs) and the Branch Staff, wherever the services of the outsourced agencies are engaged, (*Annexure / HL-L -old*) will continue to be used by the offices where the pre-sanction inspection processes mentioned above have not been outsourced.

### 31.2. For Standard Assets :

- Initial inspection(s) at the time of disbursement/ release of instalments during construction.
- Post disbursement inspection by RACPCs / Branches within 7 days of disbursement in all cases.
- Randomly selected 5% of the accounts should be verified by
- Inspection every month.
- Property inspection is to be carried out and recorded at each stage of
- disbursement thereafter once in every 3 years.
  
- If repayments are in arrears for two successive months, inspection should be conducted immediately
- Inspections should be recorded in Inspection Register.

### 31.3. For NPAs :

- At half - yearly intervals

#### Submission of Irregularity Reports

i) In the wake of adverse impact of steady rise in NPAs on Bank's NIM and bottom-line reasons for the surge in NPAs have been analysed and it was observed that neither the branches nor the controllers were quite aware about the alarming build up of NPAs and as such could not take cues from the early warning alerts, to effectively salvage the position.

ii). Obviously, lack of observance of the existing mechanism for irregularity reporting on monthly basis, is one of the prime reasons which rendered the analysis and monitoring of irregular accounts, quite ineffective.

iii). In the above backdrop and considering the efficacy of irregularity reports for effective monitoring and containment of NPAs apart from early warning alerts to unearth other adverse features like frauds, it has been decided to introduce a system for submission of irregularity reports in respect of P-segment Loans, in line with the irregularity reporting of other business segments. The salient features of the proposed irregularity reporting structure for P-segment Loans are as under :

- At quarterly intervals in respect of Home Loan/ half yearly intervals for other P-segment Loans.
- Simple listing of irregular accounts instead of separate report for individual accounts, keeping in view the unique features of the P-segment Loans and to minimize the resultant work load in view of large number of loan accounts.
- The report should include details of all loan accounts (including those sanctioned by Manager (PBD), with a view to improve the efficacy of the exercise and to enable the controllers to have an objective analysis of the irregular loan accounts.
- Submission of report in duplicate to the controllers, on or before the 15<sup>th</sup> of the following quarter/half year.
- Controllers should arrange to retransmit the duplicate copy of the irregularity report with their confirmation/ comments regarding proposed course of action.
- Controllers should suitably diaries and follow up the timely submission of the reports and compliance of remedial actions by the Branches.
- Specimen irregularity report format is enclosed (*Annexure/HL-Q*).
- The aforesaid structure for irregularity reporting should be brought into use, w.e.f. quarter ending June 2006

### ***32. Take over of Home Loans from other Banks / FIs***

RACPCs / Branches may entertain proposals of take over of Home Loans outstanding with Scheduled Commercial Banks (SCBs) including Private and Foreign Banks/FIs/ Housing Finance Companies (HFCs) registered with National Housing Bank (NHB)/Borrower's employers if they are Central/State Govts. or their undertakings or Public Sector Undertakings, subject to the following:

- a) Due diligence should be carried out on the borrower and the seller (e.g. builder) . They should satisfy the eligibility criteria for availing Home Loan as per the extant instructions of the Bank.
- b) Houses/ Flats under construction can also be considered for takeover. In such cases it should be ensured that there is no undue delay in construction / completion of project.
- c) The borrower should have serviced interest and/or instalment of the existing loan regularly, as per the original terms of sanction.
- d) The borrower has valid documents evidencing the title to the house/flat



***Permissible quantum of Finance for take over:***

Outstanding with other Bank *plus* prepayment penalty or present Market Value *less* prescribed margin *whichever is lower*. In case the Agreement value *less* margin does not cover the proposed loan amount, the market value of the property should be assessed on the basis of valuation reports obtained from **two** empanelled valuers of the Bank, and the same should be conservatively valued by the loan appraising official / sanctioning authority, lower value of which should be considered for the sanction.

Where the Agreement value minus margin covers the amount to be financed, no fresh valuation need be obtained.

32.1. Deviations

If any deviations from the above conditions are contemplated in consideration of larger business interests or valuable connections (such cases should be very selective), the same would require administrative approval from the competent authority as under:

Officers exercising Discretionary Powers for taking over of the loans	Authority to give Administrative Clearance
Officers below AGM's grade	AGM (branch/ Region)
AGM	GM (NW)
GM and Higher Grade Officers	Sanctioning Authority itself would be empowered to approve deviations.

32.2. Take over with sanction of Higher Loan Amount & extended Repayment period:

At the time of the takeover, the sanctioning authority, based on the merits of the case and requirements/ eligibility of the borrower, may sanction an amount higher than the amount taken over from other bank/ financial institution for purposes of renovation/ extension/ furnishings. Similarly the sanctioning authority may also extend the repayment period beyond the period sanctioned by the other bank/ financial institution, provided that at all times the criteria regarding maximum permissible finance and security margin under the Bank's scheme are not diluted.

32.3. Procedures for Take Over

32.3.1. The Prospective borrower should address a letter, as per specimen vide *Annexure/ HL-O. Request-I*, to the bank/ financial institution from whom he has availed the loan asking them to deliver, immediately upon receipt of the loan amount, the title deeds and other securities, if any, direct to our lending branch.

32.3.2. The borrower should give to the branch a request letter as per specimen vide *Annexure/ HL-O. Request-II* for paying to his existing lending bank / financial institution the outstanding amount of his loan by debit to his loan account. The branch must receive

- an advice of the actual outstandings (with up-to-date interest) in the loan account from the other bank/ financial institutions,
- the statement of Account for the period of loan or for the last 10/12 months (where the loan has run for a longer period),
- confirmation that other bank/ financial institution has created an equitable mortgage over the property.

Disbursal must be effected only subject to the above information being found satisfactory and completion of formalities as regards (a) obtaining Agreement to create Mortgage, (b) execution of Power of Attorney, (c) obtaining interim security and (d) execution of the required loan documents.

### 32.3.3. *Security in the interim period :*

During the interim period between granting of loan and creation of equitable mortgage on the house/ flat being financed, some security including third party guarantee may be taken, wherever considered necessary. However the kind of security, where taken, should be flexible depending on the status and integrity of the borrower and it need not be related to the loan amount. The security obtained in the interim period should be released after receipt of the title deeds and creation of a valid equitable mortgage subsequent to verification of the borrower's title to the property.

### 32.3.4. *Sanctioning Authority vested with discretion to waive interim security in cases:*

- i. Where an applicant is of undoubted integrity and standing, security/ third party guarantee in the interim period may be waived.
- ii. Interim Security can also be waived in the case of takeover of bulk loans of employees of corporations and institutions of repute, provided such corporations/ institutions provide check-off facility, besides an irrevocable undertaking for making repayment of the outstanding loan out of any amount payable to the employee, including terminal benefits on his retirement/ resignation, towards all dues pertaining to the account.
- iii. However, in cases where security in the interim period is waived, no deviation from the takeover conditions would be permitted except in cases of takeover of Standard Asset loans in bulk of employees of good corporate and institutions with a check-off facility.

32.3.5. The disbursement of the loan should be made direct to the institution as per the specimen vide *Annexure/ HL-O. Request-III*, stipulating that the amount should be appropriated towards the said outstanding loan only and the title deeds and other securities, etc. should be delivered to an authorised representative of the Bank only.

32.3.6. On receipt of the title deeds, etc., the bank must apprise to the borrower, in writing, the details of the documents/ securities received from the other bank/ financial institution in order to avoid any legal complication later on in case some of the documents/ securities are not received from borrower's earlier financier.

32.3.7. There are occasions when no response is received from the other bank / financial institution with a view to thwarting the takeover. In such cases, where the prospective borrower is a high net worth individual (e.g. Director, CEO/ Senior Executive of a reputed company, a reputed professional like doctor, architect, chartered accountant etc.), the sanctioning authority may take under mentioned steps to expedite the process of takeover as also to ensure that the takeover is not thwarted:

- i. Verification of the original sanction letter of the original lender along with the latest statement of the loan account proposed to be taken over to ensure that the instalments have been paid as per the terms of the sanction mentioned in the sanction letter.
- ii. Arranging for the Search report of the property on the basis of photocopies of the title deeds to the property, if available with the applicant. Nevertheless, possession of the property by the applicant should be verified independently.
- iii. Confirming that the borrower's title to the property is clear as certified by the bank's advocate in the prescribed format and that the account has been regular.
- iv. Obtaining from the borrower the Agreement to Mortgage and a Power of Attorney in the favour of the Bank authorising the Bank to create equitable mortgage on his behalf.
- v. Making disbursement of the loan as mentioned in Para 32.3.5 above.

#### 32.3.8. Funding of Prepayment Penalty

Whenever loans are pre-closed, the banks concerned levy prepayment charges, which are not funded by us. Therefore the borrowers have to pay prepayment penalty through their own resources. This is reported to be one of the deterrents for switching over to us. Therefore, funding of pre-payment penalty payable to the present banker/HFC of good standing and reputation, in addition to the outstanding loan amount may be permitted. Total loan quantum, will however, continue to be determined by eligibility criteria based on income, EMI/NMI ratio, LTV ratio etc. applicable to Home Loans scheme.

### **33. Insurance.**

The house / flat purchased / constructed with the Bank's finance should be insured against the risk of fire / riots / earthquakes / lightning, floods, etc. in the joint names of the borrower and the Bank for the full market value of the property or the outstanding loan amount, whichever is higher. A copy of the policy is to be retained with the Bank, duly entered in the standard Insurance

Register. The borrowers may be encouraged to obtain onetime insurance for the entire repayment period of the loan so as to get substantial discounts offered by insurance companies. This would also reduce Bank's follow up costs.

33.1. Insurance of property:

(i) While settling claims under insurance policies, insurance companies exclude the value of land as the land cannot be damaged by fire and allied perils. Accordingly, the value for insuring the property financed, is as under:

" the house/flat purchased/constructed with Bank's finance should be insured against the risk of fire/riots/earthquakes/lightning/floods etc. in the joint names of the borrower and the Bank for the actual project cost after netting off the cost of land (including undivided share of land in case of flats), cost of stamp duty and registration charges".

(ii) The lump sum insurance premium as a part of the project cost is to be considered with a view to encourage the borrowers to insure the property for the entire loan tenure. This customer friendly modification will alleviate the financial strains for the borrower to arrange funds for lump sum payment and pay the same in EMI's as also significantly reduce the follow up costs for the bank while at the same time safeguarding Bank's security interest.

33.2. Optional Group Insurance Scheme for Home Loan Borrowers :

SBI Life Insurance Company Ltd (*SBI Life*) has introduced a single omnibus group credit life product named *Dhanaraksha Plus Premium Payment Term (LPPT)*. The scheme provides life coverage for the credit amount, for loans with a minimum tenure of three years having a regular repayment schedule. However, Home loans up to Rs.20 lacs sanctioned under 'SBI Special Home Loan' scheme which provides free life insurance cover to the borrowers, will not be eligible for coverage under Dhanaraksha Plus LPPT.

With introduction of Dhanaraksha Plus LPPT, the existing Super Sureksha Scheme for housing loan will be discontinued with immediate effect.

For full details of Dhanaraksha Plus LPPT, a reference may be made to letter No. MCS/3/08-09/59 dated 12.03.2009 issued by Cross Selling Deptt.

33.3. Free Personal Accident Insurance:

33.3.1. As a support to marketing efforts, Bank has decided to provide free insurance cover against death of the Home Loan borrower due to accident. The insurance cover will **not** cover partial or total disablement. The insurance cover will be total outstanding principal loan amount including the interest thereof as on the date of accident or Rs.40 lacs whichever is less. The cover is effective from 1<sup>st</sup> July, 2003 and all existing and new borrowers will be covered under the policy. The scheme is being initially monitored by the Personal Banking Dept. at the Corporate Centre, which will pay premium to the insurance company after collecting the necessary data from the Circles.

33.3.2. Salient features of the scheme is given in *Annexure / HL-Ins.- 1*

33.3.3. *Collection and submission of data :*

Total outstanding amount in Home Loans as at the end of every month should be sent to Corporate Centre as per the revised format (Annexure / HL-Ins.2 ) without any omission, as this is required for arriving at exact premium amount payable to NIAC.

33.3.4. *Procedure for lodging Claims :*

All the claim correspondence will be only with the Branches where the Insured person was having his loan account.

**On occurrence of a contingency, the Insurance Company shall be intimated by the Branch immediately**, about the possibility of a claim. The following documents are required to be submitted **within sixty days** for further processing the claim:

- Claim form as per format given in *Annexure / HL. Ins.3*
  - Death Certificate from the Competent Authority
  - Post Mortem Report
  - Other supporting papers such as Police Report (FIR)/Panchnama / Inquest Report.
  - News Paper cutting, if any
- ( The above documents should be legible. In the absence of a legible copy or if the documents are in vernacular / regional language, the same may be translated in English / Hindi by a competent person (Notary, Advocate)
- Certificate, vide *Annexure /HL. Ins.-4*, from the branch to the effect that the person was having an Home Loan Account
  - Certificate of Insurance duly signed by all the account holders
  - Statement of loan account from the date of disbursement of loan, showing the loan amount sanctioned, monthly transactions and outstanding as on the date of accident and the amount of instalments defaulted, if any.

34. *Tie-up with Reputed Builders.*

Tie-ups with reputed builders will enable us to bring to our books borrowers with a relatively low risk profile i.e. HNIs/Affluent NRIs/ highly paid executives/IT sector professionals etc. Arrangement with builders enables us to publicise our scheme as well as to have business directed to us, HLSTs / CRE(PBs) / Branches should actively consider entering into such arrangements with reputed builders. The GM (Network) should approve a list of builders who have been in the business for at least 10 years and who have an excellent track record and good reputation in the market both in connection with the quality as well as the speed of construction. That is there should be little doubt with regard to their ability to deliver the projects on time. All projects of such builders would stand automatically approved.

### 34.1. Norms for approval of Builders/Projects :

#### A. Automatic Approval Route

i) Projects promoted by reputed builders who enjoy CRISIL rating of DA1/DA2 and/or ICRA rating of DR 1,DR2+/DR/DR2-, which indicate developer's ability and excellent past track record in execution of real estate projects as per specified quality levels and conveyance of title deeds to allottees within stipulated time schedule and strong project execution capacity of the developer/builder.

**OR**

ii) Projects with CRISIL rating of PA1/PA2 and or ICRA rating of RT1/RT2+/RT2/RT2- , which indicate highest ability of the developer to specify and build to agreed quality levels and transfer clear title within the stipulated time schedule and where the project risk factors are very low.

All the builders/projects which conform to the above norms will stand automatically approved. Such approvals shall be subject to annual review on the basis of the current ratings awarded to the Builders/Projects.

#### B. Approval of Builders under Normal Route

Reputed builders :

- who have been in the line of activity for a minimum period of 10 years  
OR
- who are affiliated to the industry body i.e. State Chamber of Housing Industry  
OR
- who enjoy ISO certification and who fulfill the following eligibility norms, shall be approved by the AGM of Region/Branch :
  - i) Builder who execute a simple letter of undertaking agreeing to (a) deliver the title deeds in favour of the purchaser of the flat directly to the Bank and (b) insist on No-objection Certificate (NOC) from the Bank before cancellation of Agreement of Sale and refund of payment(s) received there under and (c) to convey Bank's security interest to the Society, if any, proposed to be formed after completion of construction for noting Bank's charge in the record of the Society
  - ii) \*Search Report from empanelled lawyer certifying builder's/third party's (who owns the property) clear, absolute, marketable title to the property where the project is proposed to be constructed, including validity of the joint development agreement, if any, executed in this regard.

iii) \*Possession of all mandatory legal clearances under various extant builder laws and other legal enactments and copy obtained for our record.

\*(With a view to facilitate establishment of tie-up at the time of launching of the project, the stipulations (ii) and (iii) above need not be insisted upon as a pre-condition while entering into tie-ups. However, it should be ensured that the builder complies with the stipulations before considering sanction of loans in the project to individual borrowers.)

iv) **Project completion period should not exceed 36 months.** The builder's adherence to the project completion schedule should be satisfied on the basis of promoter's track record in timely completion of their last three completed projects.

v) Track record of the builder in timely conveyance of valid title which should be ascertained on the basis of their latest three completed projects.

vi) **Minimum stake of 15% of the cost of project,** duly certified by the Chartered Accountant should be obtained and progress of work should be verified on the basis of site inspection/photographs evidencing present stage of construction.(advances made by the prospective purchasers can be taken as a part of the project cost subject to availability of proper documentary evidence in this regard.).

vii) Constitution of the builder should be partnership firm, Pvt/ Pub. Ltd. Company and the key promoters should be reputed and experienced in the line of activity.

viii) Opinion Report should be obtained in respect of builders who enjoy credit facilities with other Banks.

ix) Availability of financials of the builder will be an added advantage with a view to scrutinize them for any adverse features including quantum of outside liability. However, tie-ups once approved need not be withdrawn even if the builder has a low networth provided the customer satisfaction level in respect of their past projects is high.

x) There shall not be any known legal case of significant nature like (i) default to some other Bank (can be ascertained by perusal of RBI's defaulters list/access to CIBIL data base etc.), (ii) land misappropriation and (iii) large tax evasion etc.

### **C. Approval of specific projects of builders under normal route :**

In respect of builders who are in the line of activity for a **minimum period of 5 years, AGM (Region) / AGM (Branch) are vested with powers to approve**

individual projects promoted by the builders, subject to satisfaction of the conditions referred to in (i) to (x) above.

#### **D. Automatic approval under synergy with SME BU:**

- Whenever SME BU extends financial facilities for a construction / development project consisting of residential real estate, the project will stand ‘Automatically Approved For Home Loans under synergy with SME BU’.
- Along with the execution of the loan documents for project finance, an **MoU containing the terms of Builder-Tie-Up will be signed between the Bank and the builder/developer**. The MoU will contain an obligation on the part of the builder to route minimum Home Loan business (50%/75%/100% etc. depending on the scale of finance and SBI’s stake in the funding of the project) through SBI with a right of first refusal. Details regarding joint marketing efforts, special interest rates, margins, etc may also be the part of the MoU. Specimen of MoU is enclosed at Annexure/ HL-MOU, which may be modified in consultation with the law department at the LHOs concerned to suit the local business requirements. The MoU may be signed, on behalf of the Builder, by an authorized signatory from the Marketing Department of the Builder. AGM(RBO) in charge of the jurisdiction where the project is located or the builder is located, depending on the choice of the builder/developer, will sign the MoU on behalf of the PBU and **will own** the tie-up arrangement with a responsibility to extract maximum retail business from the same. Where business is expected to benefit more than one RBO, the PBU head of the Network/Senior AGM (RBO) may sign the MOU. The signatory, as mentioned above, will also enter the tie-up details on the PBBU Builder Tie-up website.
- Since due diligence would have been done by the SME BU, PBU need not duplicate the processes like Builder KYC, Title Verification & Search Report, etc. which form part of due diligence done by SME BU.
- In case the project finance is extended by the SME BU against the collateral of security other than the property for which the project finance is extended, the MoU should contain the clause regarding obligation of the Builder to provide documents regarding land title, permissions to commence construction etc. to PBBU within a reasonable and specified time limit.

#### **II. Lawyer’s Report :**

Single consolidated search report shall be obtained from the empanelled lawyer certifying builder’s/owner’s clear, absolute and marketable title to the property. Search reports shall not be insisted upon from purchasers of individual flats. The lawyer’s fee in this regard shall be borne by the Bank.

#### **III. Valuation Report :**



Single consolidated valuation report shall be obtained from empanelled valuers who should also comment upon reasonableness of prices of individual flats of various types. Valuation reports shall not be insisted upon from purchasers of individual flats. Valuation fee in this regard shall be borne by the Bank.

#### **IV. Concessional Packages :**

Concessional interest rate may be granted on the basis of the business potential, in line with the discretionary power structure laid down from time to time.

#### **V. Sharing of Joint Publicity Expenditure :**

With a view to ensuring builder's support in joint marketing efforts, joint publicity expenditure towards the cost of advertisement brochures, banners, hoardings, joint property fairs etc., shall be shared with the builder subject to a maximum of 30% of the expenditure incurred with a cap of 0.30% of the business directed to us from the respective projects.

#### **VI. Disbursement :**

Shall be made by means of Banker's cheque/DD crossed Account Payee only duly incorporating the builder's account number and name of bankers and shall be forwarded directly to the builder by registered AD/Speed post.

#### **VII. Marketing Strategies / Progress Reports :**

The modified guidelines for approval of builders have been rolled out w.e.f 1<sup>st</sup> March 2006 and its flexible and value added features should be effectively leveraged to enhance the coverage of tie-ups with reputed builders, also by organizing builders meets at important cities.

##### *a) Interim security:*

i) Interim security may be waived for financing purchase of flats/houses in respect of projects promoted by builders who are approved under Automatic Approval Route and Normal Route i.e. reputed builders who have been in the line of activity for a minimum period of 10 years subject to :

- fulfillment of conditions stipulated in the modified guidelines for approval of builders.  
the borrower has first invested the complete margin money and the receipts of the same are furnished to us.

- i.) Regarding builders whose specific projects are approved under Normal Route i.e. builders who are in the line of activity for a minimum period of 5 years, branches should continue to obtain interim security as hitherto.

- c) *National Builder Tie-Ups (Data base)*: A new web site for Builders Tie-Up has been designed and rolled out on 21.08.2008. This will be available in the intranet under the IP address: <http://10.1.1.13/bptu> with a facility to upload details of approved Builders and their Projects. Additional fields are available for scanning and uploading Legal Opinion, TIR, Valuation report and Inspection Report in PDF format. The Project approving authority should invariably scan the Legal opinion, TIR and Valuation reports and upload them on the website in PDF format. For this purpose, IDs and Passwords have been provided to AGM-RACPC, AGM-HLST and AGM-RBOs. The system auto-generates a unique identity number for the particular project which is to be used by all sourcing and processing officials for loans booked under that project. Availability of tie-up information online will enable Sourcing Entities to download the TIR and Valuation Reports and place the printout in the loan application file. The entire chain of title need not be established again and again. Availability of tie-up information online will enable Processing Officers at RACPC to process the loan application within TAT as the time taken for obtaining legal and valuation reports are eliminated.

**35. Tie-up Arrangement with Defence Housing Authorities.**

Details of the tie-up arrangement with Army Welfare Housing Organisation (AWHO) and Air Force and Naval Housing Board (ANHB) are furnished in *Annexure/HL- Defence*.

**36 . Classification under Priority Sector Advances**

As per RBI guidelines, undernoted categories of Home Loans, *excluding loans granted by banks to their own employees*, are eligible for classification under Priority Sector Advances.

<b>Purpose of Direct Home Loan</b>	<b>Location</b>	<b>Maximum loan amount</b>
Purchase construction of dwelling units per family	All locations	Rs.20 Lacs
Repairs to damaged dwelling units per family	Rural & Semi-urban areas	Rs.1 Lac
Repairs to damaged dwelling units per family	Urban & Metropolitan areas	Rs.2 Lac

*RBI guidelines in this regard updated from time to time should be followed up for the purpose of classification of Home Loans under Priority Sector Advances.*

**37. Revaluation policy/ Basel-II norms.**

**(i) Asset Valuation Policy & (ii) Asset Revaluation Policy effective from 1<sup>st</sup> april 2008.**

Concessionary Capital Risk Weight (CRW) on Home Loans would be available to the Banks under Basel II framework, provided the assets are valued / revalued in accordance with a Collateral Valuation Policy approved by the Bank's Board. Risk weights on Home Loans based on Loan To Value Ratio (LTV) as per the Basel II Final Guidelines issued by RBI are as under -

LTV	Loans upto Rs.30 Lac	Loans above Rs.30 Lac
Upto 75%	50%	75%
Above 75%	100%	100%

2. The existing valuation policy was accordingly reviewed, and ECCB has approved the following valuation / revaluation policy for Individual Home Loans (IHLs):-

**37.1. Asset Valuation Policy for IHLs :**

<b>Purpose of Home Loan</b>	<b>Valuation policy</b>
Construction of new dwelling unit	Valuation of land plus project cost i.e. stage-wise estimated expenditure obtained from the empanelled architect / engineer irrespective of the loan amount. Loan disbursement to be made in accordance with the stage of construction.  In the case of loans upto Rs.2 lacs at rural/semi-urban branches, the sanctioning authority may waive valuation as above and may assess the valuation based on market prices by enquiry and a certificate by the contractor/engineer involved in construction.
Purchase of second sale plot/dwelling unit	Valuation report obtained from the empanelled architect / engineer / valuer irrespective of the loan amount and age of the property.
Purchase of new dwelling units	For loans <b>upto Rs.20 lacs</b> , reasonableness of the price mentioned in the underlying sale deed / agreement to sale etc. ascertained by the sanctioning authority as per the prevailing market prices. For loans <b>above Rs.20 lacs</b> , valuation report obtained from an external empanelled architect / engineer / valuer.
Purchase of plot for construction of dwelling	Property valued at cost price as per the agreement of sale/lease.

unit from regional Govt. housing development authorities/boards.	
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37.2 Asset Revaluation Policy for IHLs :

As per the extant instructions, loans above Rs.75 lacs are given upto an LTV ratio of 75% only, and as such will not attract the higher Capital Risk Weight (CRW). Loans of Rs.75 lacs and below were given upto an LTV of 80%), which attract higher CRW of 100%. However, in case of a regular loan, a part of the principal loan gets repaid, and over a period of about 2.5 years from commencement of repayment, the LTV ratio comes down to 75%. Therefore, higher CRW would be applicable only during this period. There could also be appreciation in value of the property during this initial repayment period of 2.5 years, which could bring down the LTV ratio below 75%. In order to have the benefit of lower CRW, the appreciation in property value needs to be assessed through a proper revaluation of the property.

37.3. The revaluation is to be carried out in such cases by the Asst. / Dy. Manager (Advances) / Appraisal Officer at the branch / RACPC. The process need not be as detailed as in the case of a fresh sanction of loan, and as such it could be done easily by our officials. Following guidelines have been laid down for our officials for internal revaluation of **standard assets** with outstanding upto Rs.1 crore.

**(a) Places covered by NHB RESIDEX:**

NHB RESIDEX - a housing price index launched by National Housing Bank for tracking movement of property prices should be used for the purpose of revaluation of our IHLs at the cities for which it is available. Presently RESIDEX has been published for 15 cities - Delhi, Bangalore, Bhopal, Kolkata, Mumbai, Ahmedabad, Chandigarh, Chennai, Kochi, Hyderabad, Jaipur, Patna, Lucknow, Pune and Surat. It covers different localities in each of these cities. RESIDEX will be updated every six months and in due course is proposed to be extended to 63 cities. Year 2001 has been chosen as the base year for RESIDEX. About 91% of our IHLs were sanctioned after 2001.

Example of NHB RESIDEX is as under -

City	2001	2002	2003	2004	2005
Delhi City	100	106	132	150	201
Mumbai City	100	116	132	149	178

Property revaluation will be done as under -

Property Price at the time of sanction x (RESIDEX on the date of revaluation) /  
RESIDEX on the date of sanction

e.g. If a property is purchased in Delhi City for Rs.5 lacs in the year 2003, it will be revalued in 2005 as under -

5 lacs x (201/132) = Rs.7.75 lacs.

**(b) Places for which NHB RESIDEX is not available:**

(i) Ascertain going market prices by enquiries with a few reputed builders in the area / guideline value at the Registrar's Office / real estate market, which would give an indication of the ongoing prices.

(ii) Assuming that the average life of a building is about 40 years, a depreciation of 2.5% per annum on the value of building may be deducted from the present market value as arrived at in (a) above.

(iii) The resultant value could be taken as the valuation of the property for the purpose of CRW.

(iv) The valuation thus arrived at by the Asst. / Dy. Manager (Advances) / Appraisal Officer should be countersigned by an official above him and retained with the loan file, for verification by the auditors.

(v) The revaluation needs to be done only once a year in January, for the loans sanctioned during the last three years, so that the valuation could be taken into CRW computation as at the end of the financial year.

(vi) Such valuations would not be necessary from the fourth year onwards after commencement of repayment, for Home Loans that are Standard Assets, if by that time, the LTV ratio of such loans has come down to 75% or below through regular repayments, even if there is no appreciation in value of the property.

(vii) However, in case of impaired assets, a valuation of underlying property should be carried out before initiating recovery process.

(viii) If there is a fall in real estate prices, which does occur some time, every asset should be valued in order to arrive at the proper CRW.

A format for valuation is given in *Annexure/HL.-P*

**(c) In case of all the Home Loans with **outstandings above Rs.1 Crore that are Standard Assets**, the underlying properties should be revalued once after the expiry of 3 years by engaging an empanelled architect / engineer / valuer. The cost of such valuation will have to be borne by the borrower.**

### **38. Risk weight**

#### **38.1. Revaluation**

##### Capital Charge

It has been observed by the Management Audit team that, "Loan To Value Ratio (LTVR) in Home Loans, which, if brought down to 75% or lower, would reduce the risk weight and the Capital Charge on such loans."

38.2. In this connection, we have to advise that Home Loans with LTV ratio above 75% attract 100% risk weight. When LTV is upto 75%, the risk weight gets reduced to 75% on Home Loans above Rs.30 Lacs and to 50% for Home Loans upto Rs.30 Lacs. It is a commonly observed trend that the market value of the residential property financed by us tends to appreciate on one hand, while the outstanding in the loan account comes down due to repayment by the borrower. Thus the LTV ratio gradually comes down over a period of time. Therefore, in case of Home Loans with LTV ratio of more than 75% at loan origination, it is necessary to re-assess the property values every year till the LTV ratio falls to 75% or below 75%, which will lead to lower risk weight and therefore lower capital charge.

38.3 It is, therefore, suggested that the branches may take up the exercise of revaluation of standard assets sanctioned prior to January three years back having an LTV ratio of more than 75% so that, when revaluation of Home Loans sanctioned in January of the current financial year, the correct LTV ratio is worked out for the whole Home Loan portfolio for the purpose of computation of capital charge.

### 39. NPA Norms

#### 39.1. Floating Rate Home Loans – Asset Classification:

RBI guidelines on prudential norms on IRAC reproduced as under -

##### *Definition of NPA:*

A non-performing asset is a loan or advance where (i) interest and/or installment of principal remain *overdue* for a period of more than 90 days in respect of a term loan, (ii) the account remains “out of order”, in respect of an Overdraft / Cash Credit (OD/CC).

Any amount due to the bank under any credit facility is ‘*overdue*’ if not paid on the due date fixed by the bank.

RBI guidelines further stipulate that “Banks should, classify an account as NPA only if the interest charged during any quarter is not serviced fully within 90 days from the end of the quarter.” (In the case of bank finance where moratorium is available for payment of interest, payment of interest becomes ‘due’ only after the moratorium is over. Therefore such amounts of interest do not become overdue and hence do not become NPA, with reference to the date of debit of interest.)

“Classification of assets should be done taking into account the degree of well defined credit weaknesses and the extent of dependence on collateral security for realization of dues.”

39.2. In the light of the above guidelines Home Loan accounts where old EMIs are being paid regularly should continue to be treated as standard assets wherever :

(i) interest applied and due for payment on these accounts during the quarter is fully serviced within 90 days from the end of the quarter, through the pre-revised EMIs.

(ii) There is no credit weakness as the interest is fully serviced along with part of principal.

(iii) The security value fully covers the loan outstandings, which are getting repaid regularly.

39.3. Since NPA tracking on CBS is done on the basis of various *Arrear Conditions* defined on the system which include the condition of irregularity in the account, such accounts may be stamped as NPAs by CBS if the Arrear Condition persists for 90 days. Therefore Branches / RACPCs will be required to change the IRAC status of such accounts manually.

39.4 In view of the above, Home Loan accounts, where old EMIs are being paid regularly, need to be classified as standard assets even though EMIs have been revised upwards, till completion of formalities like acceptance of revised EMIs by the borrowers / guarantors and submission of PDCs / payment instructions as per revised terms. IRAC status stamped by CBS in respect of such accounts may accordingly be changed by the branches manually so as to reflect the correct status. However, efforts should be stepped up to obtain revised PDCs/payment instructions on a war footing as advised earlier.

#### **40. *Rephasement.***

At present there is no scheme for Rephasement of Home Loan repayment schedule. While the Bank has been increasing the maximum tenor of the Home Loans, there has been no provision to make the benefit available to existing borrowers, although the increase in repayment period could be beneficial to them. Further, whenever a temporary default occurs in the account, which is not rectified, and subsequent EMIs are paid regularly, the account continues to remain NPA. Therefore, it has been decided to introduce a scheme for Rephasement of Home Loan repayment schedule on the following lines.

2. Defaults in Home Loan repayment may occur due to the following events resulting in the inability of the borrower to repay stipulated loan instalments: Medical care, children's education, marriage in the family, temporary unemployment, losses in business, crop failure, EMI increase triggered by increase in interest rate, calamities such as flood, drought, earthquake, riots etc.

3. With a view to helping our Home Loan customers, who have genuine needs or difficulties as above, to tide over difficult times in their life, rephasment of loan instalments may be allowed in conformity with the undernoted guidelines

##### ***I Principles to be followed in all cases of Rephasement:***

(a) Revised terms should be in conformity with the Home Loan policy of the Bank prevailing on the date of Rephasement, especially with regard to

- maximum permissible loan tenor, maximum age of the borrower, income generation capacity of the borrower till liquidation of loan, etc.
- (b) Extension of repayment period can be made available to borrowers, who had opted for the maximum repayment period available to them at the time of original sanction, and who are now eligible for extended repayment period as per current norms.
  - (c) Revised loan term will be the period between revised date of liquidation of loan and the date of first disbursement of the loan.
  - (d) Floating interest rate loans: Interest rate applicable to the revised loan term as on the date of rephasing, as defined in (c) above, will be applicable.
  - (e) Fixed interest rate loans: The present maximum tenor is only 10 years. The revised loan tenor should not, therefore, exceed the original term. Accordingly, interest rate also will not undergo any change. Wherever reset of interest rate is due, the reset will be carried out as per extant instructions.
  - (f) Interest rate concessions, if any, sanctioned at the time of loan origination, shall be continued to the same extent (for example, if a concession of 25 bps is approved, this reduction will be applied to the revised base rate).
  - (g) Loan rephasing may be sanctioned by the authority who sanctioned the loan. In cases where loans were sanctioned by authorities upto the rank of AGM and subsequently migrated to RACPCs, sanctioning authority for rephasing shall be AGM (RACPC). AGMs (SARC) may sanction rephasing of Home Loans which were sanctioned by authorities upto the rank of AGM and which have been subsequently migrated to SARCs.
  - (h) Rephasing sanctioning authority may consider sanctioning of applicable concessions on account of salary account, margin, green housing, EMI/NMI ratio etc., which are non-discretionary in nature (subject to the maximum extent of cumulative concessions as per prevailing pricing policy of the Bank on the date of rephasing).
  - (i) Document prescribed for loan rephasing to be executed by all the borrowers and guarantors.
  - (j) A revaluation of the property needs to be done and the cost thereof should be borne by the borrower.
  - (k) LTV ratio (loan outstandings to property value ratio), based on the revaluation, should be within the usual norms on the date of rephasing.
  - (l) First rephasing may be allowed any time. Period between subsequent rephasings should be minimum five years.
  - (m) PDCs/SIs/ECS mandate for the revised EMI to be obtained.

## ***II. Methods of Rephasing:***

### ***Floating rate loans :-***

Borrowers may be given the following options:

- (a) Extend loan term by keeping EMI unchanged:

Loan term may be allowed to be extended by keeping the EMI unchanged.

Revised loan term may be calculated on the basis of Home Loan outstanding on the date of Rephasing and interest rate applicable to the probable revised loan term.



(b) Change EMI by extending the loan term:

When loan term increases, EMI at a given interest rate comes down. EMIs may be revised downwards by extending the loan term .

(c) Mid Stream Moratorium (with interest servicing):

Borrower may given an option of servicing only the monthly interest during the mid stream moratorium period. Midstream moratorium period should not exceed 6 months. Borrower may be allowed to exercise option (a) or (b) above for refixing of EMIs.

Fixed rate loans :-

(a) There may not be any scope for options (a) and (b) above. In fact, when rephasing is done, the EMIs may go up, as the existing outstandings will have to be repaid in full within the original repayment period. They may, however, be given option (c) above.

(b) Conversion of fixed interest rate loan to floating interest rate loan: Borrowers may be given an option to convert home loan from fixed interest rate to floating interest rate loan in conformity with principles of loan rephasing. Options (a), (b) and (c) under floating interest rates above, may be used by the borrower when he exercises this option. Loan tenor may be extended upto the permissible limit under Home Loan policy. Interest rate will be as per I(d) above.

III. Rephasing fee\* :-

Administration charges to be recovered upfront as under:

Outstanding Loan amount	Rephasing administration fee
Upto Rs.5 Lacs	Rs. 2,000/-
Above Rs.5 Lacs and upto Rs.30 Lacs	Rs. 3,000/-
Above Rs.30 Lacs and upto Rs.1 Cr	Rs. 5,000/-
Above Rs. 1 Cr	Rs. 7,500/-

\* Fee was waived, as a special case upto 30<sup>th</sup> June 2009

IV. Interest rate conversion fee: -

Conversion fee at 0.50% of the outstanding amount shall be recovered upfront from the borrowers who opt for conversion from fixed interest rate to floating interest rate, in addition to rephasing administration fee.

V. IRAC Norms:-

As per extant RBI guidelines in this regard, in case of Substandard Accounts/Doubtful accounts, if arrear installments and interest are paid by the borrower, then the account will become standard asset immediately. Otherwise Substandard Accounts/Doubtful Accounts will be categorized as Standard Assets at the end of one year from the first repayment under the rephasing programme, provided the repayments are regular during that year. RBI policy in

this regard prevailing on the date of rephasing should be followed for IRAC purposes.

VI. Documentation :-

(i) Simple request letter from the borrower (s) for rephasing of Home Loan repayment stating the reason for the need for rephasing. (ii) Arrangement letter for advising rephasing as per *Annexure /HL.-T* (iii) Stamped Letter to be obtained from the Borrower(s)/Guarantors, if any, as per format furnished at *Annexure /HL.-U*

4. Borrowers, whose accounts have become NPAs due to the above reasons, should be addressed a suitable letter giving them an opportunity to rephase the repayment programme

**Special dispensation upto 30<sup>th</sup> June 2009**

(i) As per the loan arrangement letter and loan agreement, the Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate. ( Such changes are not deemed to be re-structuring of loan).

Therefore, *prior* consent of the borrower for rephasing need not be insisted upon. However, the borrowers/guarantors should be advised in due course, of the changes, suitably through auditable means, and these acknowledgements should be kept as part of loan documents.

(ii) Rephasing may be done by way of any one or the combination of the following subject to the condition that the maximum loan tenor does not exceed the present maximum permissible tenors of 25 years for floating interest rate loans and 10 years for fixed rate loans. Also, it should be ensured that repayment is completed before the borrower (youngest one, in case of joint borrowing) completes the age of 70 years :

- Change in EMI
- Change in tenor
- Mid-stream moratorium (with interest servicing)
- Additional moratorium for incomplete projects

(iii) With a view to enable handling of large number of accounts, the operating units are permitted to sanction rephasing of accounts with similar profiles in bulk, as per the enclosed format, instead of account-wise appraisal for accounts / borrowers.

(iv) Rephasing administration fee is waived, as a special case upto 30<sup>th</sup> June 2009.

(v) Valuation through approved valuers need not be insisted upon, provided the appraisal official and the sanctioning authority are satisfied that there is no depreciation in the property value after the date of sanction of the loan.

(vi) Interest rate, as originally contracted, may be continued even if the loan tenor gets extended due to rephasing, as a special case, for loans rephased upto 30<sup>th</sup> June 2009.

(vii) In case, where the borrower needs funding assistance to repay the arrears of loan, the operating units may consider their request for funding through SBI Home Line or SBI Home Plus. As a special case, the condition of regular repayment of Home Loan for three years for eligibility for SBI Home Line, and condition of satisfactory repayment record of one year for SBI Home Plus is waived upto 30<sup>th</sup> June 2009. For SBI Home Plus, fresh re-valuation would be required through approved valuers only in cases where the market value of the property has increased by over 20% in the opinion of the Branch / CPC.

All eligible accounts should be identified, re-phased and classified as standard asset in CIS data as on 31.12.2008. The operating units should comply with RBI guidelines on classification of assets meticulously.

#### 41. Restructuring

##### Reserve Bank of India - Special Regulatory Treatment For Asset Classification

With a view to preserving economic and productive value of assets (and not ever greening of problem accounts) in the wake of global downturn, RBI have issued framework for "Special Regulatory Treatment" for restructuring packages implemented till 30<sup>th</sup> June, 2009. Summary of RBI instructions relevant to Home Loans is furnished below at *Annexure- 1* and glossary of terms used therein is at *Annexure -2*.

Restructuring as per RBI definition involves (i) granting of concessions that the bank would not otherwise consider (ii) to a borrower who is facing financial difficulty, for economic or legal reasons.

Therefore, an EMI reset or extension in tenor done purely on account of interest rate change should not be treated as re-structuring. Accounts will be termed as restructured, only when the account is irregular due to default in repayment of EMIs by the borrower.

Provisioning Norms: Re-structuring of home loans does not involve diminution in the fair value of the re-structured advance as home loans are charged sub-PLR interest rates. The Net Present Value (NPV) of the advance prior to and post restructuring remain the same. Therefore, assignment of additional risk weight will be required on restructured home loans.

The restructuring should be taken up with or without borrower's application on or before 31<sup>st</sup> January 2009 and the restructuring package accepted by the borrower should be put in place within a period of 120 days from the date of taking up the restructuring package ( In case of accounts where restructuring was taken up after 27<sup>th</sup> August 2008 , the period for implementing the restructuring package will stand extended from 90 days as advised earlier by RBI, to 120 days from the date of taking up of restructuring package).

**Summary of RBI Instructions on Special Regulatory Treatment  
Special Regulatory Treatment For Asset Classification**

Housing loans granted by the banks are eligible for *special regulatory treatment*, if *restructured*<sup>1</sup>.

**Features of Special Regulatory Framework -**

1. Dues to the Bank should be *fully secured*<sup>2</sup>,
2. the restructuring should be taken up on or before 31<sup>st</sup> January 2009 and the restructuring package should be put in place within a period of 120 days from the date of taking up the restructuring package ( In case of accounts where restructuring was taken up after 27<sup>th</sup> August 2008 , the period for implementing the restructuring package will stand extended from 90 days as advised earlier by RBI, to 120 days from the date of taking up restructuring package),
3. Process of restructuring may be initiated by the Bank (i.e. without waiting for application from the customer) in deserving cases subject to customer agreeing to the terms and conditions.
4. Any additional finance may be treated as 'standard asset', upto a period of one year after the first interest/principal payment, whichever is earlier, falls due under the approved restructuring package. However, in case of accounts where the pre-restructuring facilities were classified as 'sub-standard' or 'doubtful', interest income on the additional finance should be recognized only on cash basis. If the restructured asset does not qualify for upgradation at the end of the above specified one year period, the additional finance shall be placed in the same asset classification category as the restructured debt.
5. Second restructuring done upto 30<sup>th</sup> June 2009 will also be eligible for exceptional/special regulatory treatment.
6. Restructured Home Loans should be risk weighted with an additional risk weight of 25 percentage points to the risk weights prescribed vide RBI Master Circular dated 1<sup>st</sup> July 2008, on Prudential Guidelines on Capital Adequacy and Market Discipline.
7. Asset classification -

<b>Asset classification prior to restructuring</b>	<b><i>Special regulatory treatment for accounts restructured before 31<sup>st</sup> January 2009.</i></b>
Standard	Accounts which were standard as on 1 <sup>st</sup> September 2008 but turned NPA after that date will be treated as standard after restructuring.
Substandard/Doubtful Doubtful	If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified

	<p>as 'standard' accounts.</p> <p>In case of restructured accounts, asset classification, as on the date of restructuring will be retained on restructuring.</p> <p>These accounts will be eligible for up-gradation to Standard category if <i>satisfactory performance</i><sup>4</sup> is demonstrated during the <i>specified period</i><sup>3</sup>.</p>
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### Glossary of terms

1. *Restructured accounts*: A restructured account is one where the bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the bank would not otherwise consider.

Restructuring would normally involve modification of terms of the advances/securities, which would generally include, among others, alteration of repayment period/ repayable amount/ the amount of installments/ rate of interest(due to reasons other than competitive reasons).

2. *Fully secured*: When the amounts due to a bank (present value of principal and interest receivable as per restructured loan terms) are fully covered by the value of security, duly charged in its favour in respect of those dues, the bank's dues are considered to be fully secured. While assessing the realizable value of security, primary as well as collateral securities would be reckoned, provided such securities are tangible securities and are not in intangible form like guarantee etc., of the promoter / others. However, for this purpose the bank guarantees, State Government Guarantees and Central Government guarantees will be treated on par with tangible security.

3. *Specified Period* : Specified Period means a period of one year from the date when the first payment of interest or installment of principal falls due under the terms of restructuring package.

4. *Satisfactory performance* : Satisfactory performance during the specified period means adherence to the following conditions during that period.

1. ***Non-agricultural cash credit accounts*** : In the case of non-agricultural cash credit accounts, the account should not be out of order any time during the specified period, for a duration of more than 90 days. In addition, there should not be any overdues at the end of the specified period.
2. ***Non-agricultural term loan accounts*** : In the case of non-agricultural term loan accounts, no payment should remain overdue for a period of more than 90 days. In addition there should not be any overdues at the end of the specified period. Government Guarantees will be treated on par with tangible security.

## 42. FRAUDS

### 42.1. Operational Risk Management:

An analysis of various frauds occurred in Home and other P-segment Loans as also NPA accounts reveals that a large chunk of such loans were attributable to multiple financing, both by various branches of our Bank and also by various other banks. In fact, the non availability of data base on the borrowers at each centre with the sanctioning branches, made it difficult for the operating functionaries to search the data to avoid such multiple borrowing.

2. In this connection, we suggest a three-pronged approach as below, which may be implemented, forthwith, to mitigate the operational risk due to multiple financing :

- i) Modules should arrange to forward CDs containing updated CIS data base in respect of all loans sanctioned centre-wise every quarter, to all the branches/ RACPCs in the centre. It should be incumbent upon the sanctioning authority to verify the current CIS data base to avoid multiple financing. Further, this will also enable them to take into consideration the repayment obligations in respect of any other loans availed by these borrowers from other branches under other schemes also, which are not disclosed in the loan applications and also to validate the proposal in the light of the repayment history of the borrowers.
- ii) Branches/RACPCs should access the CIBIL data base, wherever required, in a bid to trace credit facilities, if any availed by such borrowers from other banks in the centre. Needless to add, opinion report from these Banks should be obtained regarding nature and conduct of the facilities, before taking a view regarding sanction of the loan sought for.
- iii) RACPCs/ Branches should be encouraged to use the service of the verification agencies who run 'de-dupe' tests with other Banks' data too.

42.2. Frauds in Home Loans are being reported, off-late, with disturbingly regular frequency. Frauds not only put the Bank to monetary loss, but also affect the morale and efficacy of the work-force.

42.3. The trend in frauds observed recently indicates that the fraudsters are regular in repayment of first few installments and go absconding thereafter. Branches are lulled into complacency because of regular repayment of loan installments and then caught off-guard when repayments stop, accounts becomes NPA and borrowers cannot be located. What follows is discovery of forged title documents / multiple financing against single property etc. While the fraudsters decamp with the money, our employees, who, by and large, work without *malafide*, face the unpleasant fall out of the fraudulent transactions.

42.4. It is therefore necessary to reiterate importance of compliance with sanction processes furnished in Para 26 under Pre-sanction survey, which forms the

foundation of the Bank's relationship with the customer, must be followed for both the Home Loan borrowers and the property seller.

- 42.5. Some cases have come to light in which the borrowers have cancelled the "Sale Agreements" with the builders/sellers, have got refund of the booking amount paid out of Home Loan availed from us, and are now reported to be absconding. It is obvious that the branches/RACPCs concerned made payments to the builders in these cases without binding them to (a) issue a NOC for mortgaging the related property by the borrower to SBI, (b) note our charge/lien on the related property, (c) obtain NOC from the Bank for transfer/sale of the property, and (d) refund the loan installments received to the Bank in case of cancellation of the sale agreement. Specimen of such letter is enclosed, which, if warranted by local laws, may be modified suitably in consultation with the local Law Departments.
- 42.6. Controlling Offices may scrutinise every month, at least 5% of the loans sanctioned by a branch/ RACPC during the previous month, with a view to ascertaining the quality of pre-sanction processes, loan appraisal, and documentation. This may be done either by asking the branches/RACPCs to submit photocopies of the relevant papers/documents or by visiting the branches/RACPCs concerned. Services of Concurrent Auditors may also be used for this purpose at the RACPCs.
- 42.7. Asset verification, in case of at least 5% of the loan accounts sanctioned during the previous quarter, may be arranged by the controlling office during each quarter.
- 42.8. Branches as well as RACPCs should carry out post-disbursement inspection within 7 days of disbursement in all cases, randomly selected 5% of the accounts every month in case of standard assets, and 100% of the delinquent accounts (i.e. accounts where repayments are not forthcoming as per the agreed terms) within one month of the default.
- 42.9. Controllers should ensure that the staff responsible for completion of loan sanction processes are given right inputs to update their knowledge regarding the products & processes involved, and to enhance the skills required for improving quality of their work with regular refresher programmes.
- 42.10. Specimen of NOC to be obtained from the builder/seller on their official letter head and signed by his authorized signatory is furnished at *Annexure /HL- V*

**43. Verification of Boundaries:**

Instances have come to light when recovery action could not be initiated by the Bank under SARFAESI act because the boundaries of the mortgaged property as mentioned in the Title Deeds deposited with the Bank did not match with the actual boundaries of the property.

Such a situation may arise when boundaries of the property are not verified during inspection of the property. All operating units are therefore advised to

verify description of the property together with boundaries of the same on north, south, east and west directions as mentioned in the Title Deeds.

#### **44. Mitigation of Risks on account of Multiple Financing/Submission of Forged Title Deeds etc.**

A review of the frauds in Home Loans indicates that a large number of frauds have occurred on account of :

- i) Availing of multiple finance from various Banks/HFCs
- ii) Availing of loans by submitting fake/forged title deeds

2. In the above backdrop, a stamped affidavit (not sworn before notary public/magistrates) as per *Annexure /HL.-K* given as under to be obtained with immediate effect from the prospective Home Loan borrowers covering various points including non availment of other loans against the same property, delivery of original documents of title etc., with a view to enable the bank to initiate criminal proceedings against the borrower if they declare incorrect, false or misleading information.

#### **45 .Safeguards against Frauds:**

45.1. Frauds committed by forging title documents and income proofs are continue to dominate the *modus operandi* adopted by the fraudsters. It is therefore absolutely essential to follow the pre-sanction processes meticulously with a view to hedging the risk of frauds.

45.2. Some of the frauds reported recently suggest insider complicity. Therefore, the controllers should scrutinize every month, at least 5% of the loans sanctioned by a branch/ RACPC during the previous month, with a view to ascertaining the quality of pre-sanction processes, loan appraisal, and documentation. Special attention may be given to loans concentrated in one entity like one builder/developer (where there is no tie-up) or one office (especially where salary accounts of the employees are not maintained with us). This may be done either by asking the Branches / RACPCs to submit photocopies of the relevant papers/documents or by visiting the Branches / RACPCs concerned. Services of Concurrent Auditors may also be used for this purpose at the RACPCs.

45.3. Branches / RACPCs also must ensure that the credit history of the borrowers get verified with the CIBIL in all cases before sanction so as to ensure that applicants with poor credit history are detected at the initial stage itself.

45.4. Asset verification, in case of at least 5% of the loan accounts sanctioned during the previous quarter, may be arranged by the controlling office during each quarter.

45.5 Branches as well as RACPCs should carry out post-disbursement inspection within 7 days of disbursement in all cases, randomly selected 5% of the accounts every month in case of standard assets, and 100% of the delinquent accounts (i.e.



accounts where repayments are not forthcoming as per the agreed terms) within one month of the default.

- 45.6 In view of the present liquidity conditions and a slowdown in residential real estate market, operating units are advised to guard against use of proxy customers by the small time builders for raising funds through Banks' Home Loans. Non-adherence to KYC guidelines, non-verification of salary particulars and Income Tax returns, disbursement of loan instalment without verifying the stage of construction and without express authority from the borrower, disbursement of loan on the basis of debit confirmation signed by the builder instead of the borrower are some of the lapses on part of the operating staff that have helped the unscrupulous builders in duping the Bank.
- 45.7. Other common methods used by the fraudsters include -
- (i) Submission of Fake Title deeds/documents of house property,
  - (ii) Submission of fabricated income proof / IT returns,
  - (iii) Creation of multiple title deeds for single property,
  - (iv) Impersonation of seller in executing the title deed.
- 45.8 Loans were granted in some cases for purchase of plots situated on agriculture lands. Title verification and search reports were silent about permission for conversion of land into residential. Reports furnished by Bank's Advocates /Valuers were relied upon without application of mind thus leading to sanction of loan against defective title deeds/ownership, inflated value of properties.
- 45.9. While the frauds have been committed over a period spanning from 2001 to 2007, these could be detected only after follow up efforts by SARCs /Enforcement Agents for sale of mortgaged properties. Thus, no action appears to have been taken by the branches on the delinquent loan accounts and the loan documents were transferred to SARCs without due diligence and after considerable delays.
- 45.10. There has been delay in reporting of frauds. Instances have been noticed where the frauds were apparently suppressed by branches/Controllers and loan documents were transferred to SARCs for recovery purposes. The frauds have been reported /detected later when the documents were returned by SARCs.
- 45.11. Confirmatory letter for creation of mortgage was not available in some loan accounts.
- 45.12. With a view to preventing frauds through Home Loan accounts there is a need to revisit some of the basic tenets of lending which are re-produced below -
- i) KYC norms should be strictly adhered to. Meaningful pre-sanction survey should be conducted as under :
  - d) Visit to borrower's/guarantor's residence and Office and discreet enquiries made regarding their credentials and antecedents, information about their loans, if any, availed by them from other branches/banks/institutions etc. and establishment of their identity beyond doubt.

- e) Visit to the property site proposed to be purchased including verification of name board at the building, discreet enquiries with neighbours etc.
- f) Taking of photographs of the front of the building/plot etc. and all the surrounding locations should be mentioned for identity of the property.
- g) Branches should, in case of doubt, engage the services of Chartered Accountants to verify the genuineness of IT Returns etc.
- h) Maintenance of proper Inspection Register and recording details of pre-sanction/post-sanction inspection details and comments of the inspecting official therein i.e. progress of work etc.
- i) The report of pre-sanction processes should be taken on the standard formats as advised vide PBBU, Corporate Centre letter No. PBBU/HL/AX/24 dated the 26<sup>th</sup> September 2006.
- ii) Banker's cheque relating to loan proceeds should bear account number and name of the banker of seller/builder and should be despatched directly to the seller/builder with the standard forwarding letter by registered AD/Speed Post and should not be handed over to the borrower/his representative/builder's representative etc.
- iii) Branches should make a well reasoned scrutiny of the lawyer's report and valuation report instead of solely relying on them.
- iv) It should be ensured that the site plans and approvals are current and valid and that the construction is in line with the same without any deviation.
- v) Disbursement of loans should strictly correspond to actual progress of work and after post sanction inspection. Disbursements should be done only after obtaining express mandate from the borrower.
- vi) Empanelled lawyers who are found to be lacking in professional integrity i.e. submission of Title Investigation/Search Reports based on forged title deeds etc. should be removed from the panel immediately and the matter should also be reported to Bar Council of India for initiation of appropriate action against them.
- vii) Branches should ensure timely execution of sale deed in favour of the purchaser and completion of equitable mortgage formalities without delay.
- viii) Search should be made in CIS and CIBIL data before sanctioning a loan.
- ix) Re-verification of loan documents in respect of loans which have slipped into NPA within a short period to detect any possible fraudulent submission of forged income documents/title deeds etc.

#### **46. Preventive Vigilance**

We have been advised by Reserve Bank of India that the incidence of frauds in the area of Home Loans has witnessed a sharp increase in the recent years, which is a cause of concern. As observed by them (i) Submission of fake/forged title deeds of properties, (ii) Submission of fake/inflated/manipulated salary certificates and IT returns, (iii) Laxity in conduct of due diligence on borrowers,

(iv) Laxity in conduct of due diligence on builders, (v) Non observance of procedures for pre-sanction visit to the project site, (vi) Laxity in post disbursement supervision had mainly contributed to frauds in this area.

2. One of the common *modus operandi* observed by RBI in a number of Home Loan frauds is sanction of loans to group of borrowers introduced to the Bank as employees of some specific company/establishment by either the promoters/directors of those companies or by builders/developers/middlemen. Salary slips/income proofs, photographs, postal addresses etc of these borrowers along with loan applications are submitted by these promoters/directors etc in a bunch, and banks sanction loans to bogus/ non- existent borrowers without verification of such information. In some cases, these promoters/directors stand as guarantors to the borrowers and proceeds of loans sanctioned to borrowers are credited to the accounts of promoters/directors. During the initial months, repayments are made in the accounts, however, soon they turn NPAs and when the recovery proceedings are initiated, banks come to know of the fraudulent nature of these accounts. In many cases, the groups of borrowers, introduced to banks as employees of well known companies establishments are subsequently disowned by the concerned companies/establishments.

3. Frauds not only increase the Operational Risks and put the Bank to monetary loss, but also affect the morale and efficiency of the work-force. Therefore preventive vigilance assumes greater importance, especially in today's scenario when the Bank is marketing Home Loans very aggressively. Unless he is vigilant, an aggressive lender may end up being a soft target for fraudsters who are resorting to sophistication in *modus operandi* to the extent of opening fake offices in the names of reputed companies by hiring premises and converting them to look like genuine operating offices of the target company, and issuing salary slips, Form 16, copies of IT returns, bank statements, PAN cards, Voter ID Cards etc. as evidence of the worth and employment of their accomplices to enable them to raise loans fraudulently. As such, the operating staff and the controllers concerned need to be sensitized on the processes prescribed by the Bank with a view to minimizing the risk of frauds in Home Loans.

#### ***47. Product Promotion/Marketing***

##### ***47.1. Engagement of Builders as Marketing Associates and Payment of Service Charges:***

Home Loan buyer's selection of loan provider is influenced, by the advice of the builder / their sales agents. Builders / sales agents pass on information about the prospective buyers to the loan providers for a consideration.

47.2. In order to be in tune with the market and not to lose business opportunities to our competitors, the builders with whom we have tie-up arrangements, are engaged as our Marketing Associates (MA) for promoting our Home Loans as under: -

(i) MAs will be identified by AGM (RBO) / AGM (HLST) through branches and sales teams respectively under their control, and recommended by them for empanelment to DGM(PBU) of the network concerned. A suitable letter on the lines of the enclosure will be issued to the builder in this regard.

(ii) DGM (PBU) of the network should arrange to give appropriate product information inputs to the identified MAs, through the AGM (HLST) or other marketing officials, so as to enable them to give proper guidance to the prospective Home Loan borrowers.

(iii) MAs, after briefing their customers about our product, would direct them to us. It would be preferable if the MAs could allow our HLST members / other marketing staff to be stationed in their premises for interaction with their customers and taking forward the proposal.

(iv) MAs will be paid service charges of 0.25% of the loan amount for every case directed to the Bank (only if the loan is ultimately sanctioned and disbursed by us). However, the quantum of service charges payable will not be specified in the letter addressed to the MAs, for obvious reasons like being quoted etc.

(v) The Service charges of 0.25% may be paid or shared, either partially or fully, depending on business sourcing considerations, with the following - a) Builder, b) His authorized nominee, c) Builder's sales executives, employees etc., d) Marketing agents of builders. It should however be ensured that there is no double payment of service charges, particularly in the context of our latest initiative of engaging services of SBI Pensioners as Marketing Consultants. Total of service charges paid to Marketing Associates and Marketing Consultants should not exceed the limit of 0.25% of the loan amount in each case.

(vi) Service charges may be paid for every lead provided by the MAs where loan is sanctioned and disbursed regardless of concessional interest rate offered under CGM's discretion and under tie-up arrangement with builder/corporate/institutions/government etc.,

(vii) Service charges will be paid to the MAs at the time of first disbursement as under:

- RACPC shall make payment through a *designated branch* who will make payment of service charges to the MAs on receipt of advice from RACPC, by debit to BGL A/C "**Home Loan Sourcing Fee - Suspense A/C**" (BGL A/C No. 2399836).
- Debit entries posted during the month in the above mentioned Suspense account at the designated branch shall be reversed by the branch on the last day of the month by debiting the respective LHO.

- Concurrent Auditor at RACPC shall verify entries posted in the **“Home Loan Sourcing Fee - Suspense Account”** account at the designated branch at monthly intervals, and send certificate to LHO having verified the debits raised on LHO under this head during the month.
- LHO shall respond to the debit entry by debiting
- **“Home Loan Sourcing Fee - Interest Account LHO”** after receiving the concurrent auditor’s certificate from RACPC concerned.
- In cases where loan is disbursed by the branches, service charges will be paid by them by debiting the branch interest account.
- Taxes, if any, shall be borne by the beneficiary MAs.
- Service charges should be paid through an account payee instrument only. In cases where payment is not through direct credit to the beneficiary’s account through CBS/RTGS etc., payment should be made by way of the Banker’s cheque /DD which should be posted on the recorded official address of the beneficiary.

(Specimen of the letter approving the project and engaging the builder as our Marketing Associate)

To

M/s.

.....

Dear Sirs,

PROJECT APPROVAL  
ENGAGEMENT AS MARKETING ASSOCIATE

We have pleasure in advising you that we have approved your .....  
Project for financing the flat buyers under our Home Loan scheme.

2. We have also pleasure in engaging you as our Marketing Associate for sourcing Home Loan applications from the above project, on the following terms:

(i) We would arrange to give appropriate product information inputs to your sales executives, so as to enable them to give proper guidance to the prospective Home Loan borrowers.

(ii) After briefing the customers, you / your sales executives would direct the customers to us. It would be preferable if you could allow our HLST members to be stationed in your premises for interaction with customers and taking forward the proposal.

(iii) You will be paid services charges as would be mutually agreed upon between us.

(iv) Applications from employees of corporates / institutions / Government, with whom we have tie-up arrangements offering interest rate concessions, would be sourced directly by our officials. In such cases your officials should not intervene in sourcing of applications and no service charges would be payable to you.

Looking forward to a mutually rewarding business relationship,

Yours faithfully,

Dy. General Manager.

48. *Empanelment of Officers / Employees retired from our bank as Marketing*

*Consultants (MCs) without prejudice to their pension:*

It is one of the initiatives in the marketing front to increase our market share. Although the Bank has made steady progress in the Home Loan segment, which is one of the main retail products, the true potential still remains untapped amidst severe competition from new generation private sector Banks, which engage Direct Selling Agents (DSAs) by paying them handsome remuneration.

2. To improve our competitive edge in the market and to enable Circles double their Home Loan portfolio as committed in the Top Management Conclave held in Mumbai, our retired officers / employees are engaged as Marketing Consultants (MCs) to source Home Loan applications, on a pilot basis. Detailed guidelines for empanelment of MCs are given as under:

(A) Eligibility Criteria:

(i) Retired officers may be engaged for the purpose, without prejudice to their pension. Retired employees of the clerical cadre may also be engaged on a selective basis on specific approval by the Circle CGM. The officers / employees who left the Bank's service under SBIVRS or who were dismissed / removed from the Bank's service as a disciplinary measure shall not be eligible.

(ii) The engagement shall be up to the maximum age of 65 years, subject to other conditions regarding renewal of contract.

(iii) His commitment, diligence and integrity should have been excellent during his service in the Bank.

(iv) No punishment / penalty should have been inflicted on the officer / employee during five years of his service in the Bank preceding his retirement.

(v) Cases of CBI or other law enforcement agencies should not be pending against him.

(vi) The pensioner should be preferably a local resident of the area where the Branch / office to which he will report, is located.

(vii) The retired officers who have already been appointed as Channel Management Advisors by the Bank shall not be eligible for empanelment as Marketing Consultants concurrently.

(B) Empanelment of Marketing Consultants :

The Marketing Consultants shall be empanelled by interview committee constituted by the Circle CGM and consisting of one DGM and one AGM. The eligible retired officers/ clerks may apply as per (Annexure / HL.-X) for empanelment in the Bank as Marketing Consultants.

If any retired clerk has the required aptitude for the job and his application is found suitable, he may be considered for engagement as Marketing Consultant. However, approval of the Circle CGM will have to be obtained in each of these cases.

(C) Terms of Contract :

(i) The retired officers/ employees would be working from their respective homes (which will be their office), so as to put no additional strain on Bank's infrastructure such as space, furniture, telephone, computer, etc.

(ii) They would report to the Head of Bank's respective marketing teams. In places where there is no marketing team, they would report to the respective Zonal/ Regional/ Branch Head.

(iii) They would be engaged on a contract basis for a period of 6 months (format of contract enclosed (Annexure / HL.-Y) On completion of 6 months, if their performance is satisfactory and depending on their suitability and requirement of the Bank, the contract of service may be renewed for further period of 6 months each at a time. The contract can be terminated from either side with a notice period of one month.

(iv) They would be paid fees at the rate of 0.25% of the loan amount with a cap of Rs 10,000/- per loan which is booked, sanctioned and disbursed. Tax as applicable would be deducted at source. No other payment will be made to them in the form of salary/ allowance/ out-of-pocket expenses etc. They would also be given minimum monthly target of 5 loans per month with minimum target of 10 loans for two months. If they fail to reach the minimum target in a particular month, the numbers booked in the month will be rolled over to the next month and added to next month's performance. If they fail to meet the target of 10 loans in two months, their contract may not be further renewed, at the discretion of the AGM (Region). Although the contract is for 6 months, there will be review at the end of every two months and if the targets are not achieved, the contract will be terminated with one month notice.

(v) The concerned Branch/ Regional Office/ Zonal Office shall issue identity cards to the Marketing Consultants, clearly stating therein the validity period. However, the Marketing Consultant shall not be permitted to use the Bank's name or logo on their signboards, name-plates, visiting cards, stationery, etc. They shall not be entrusted with any financial/ passing/ administrative powers. They shall not be given access to Bank's computers, Core Banking platform, Bank Master system etc.



(D) Others :

Job profile: Obtain leads on Home Loan requirements of individuals from various sources, viz. builders, municipal approvals, etc. Meet intending Home Loan borrowers at a place and time convenient to them and explain Home Loan product details. Fill in Home Loan application and obtain all the requisite documents, and deliver these to the identified RACPC/Branch. Follow up the application till sanction.

Training: Candidates empanelled as Marketing Consultants will be trained on product details and marketing at SBLCs for a period of 2 days with the support of HLST/RACPC officials.

Application for empanelment: A notice regarding the empanelment may be put up at at the LHO/ RBOs / HLST notice boards. A copy of the notice may also be sent to the SBI Pensioners' Associations at the LHO/RBO centres.

Identified centres for deployment of Marketing Consultants: Only LHO centres.

Maximum number of Marketing Consultants per Circle: Maximum 100.

Fee payment: The fee to the Marketing Consultants is to be paid by debit to Zonal Office charges account, as is being done in the case of salary and allowances payable to HLST.

3. We enclose the following for your use:

- b) Application form for Marketing Consultants.
- c) Contract to be entered into between the Bank and Marketing Consultants.

4. Please arrange to initiate immediate steps for empanelment of Marketing Consultants for sourcing Home Loan business on the lines of the above guidelines. Please advise us at weekly intervals, the centre-wise number of Marketing Consultants appointed, and their performance vis-à-vis targets.

49. ***Empanelment of Home Loan Counselors (HLCs) at Branches linked to RACPCs.***

With a view to improving our market presence in competition with the DSAs deployed by the Private Sector Banks and HFCs, it has been decided to empanel at branches which are linked to RACPCs, individuals from SBI Home Loan customers (other than staff) and others as Home Loan Counselors (HLCs) for sourcing Home Loan proposals on the following terms:

*Eligibility:*

- Should be an approved agent for selling NSCs/Life Insurance Policies (other than those of SBI Life)/Mutual Funds/Govt. approved valuers/Chartered Accountants/ Home Loan customers (other than staff) who are regular in repayment. Tax Consultants and Real Estate Brokers may also be considered depending upon the local standing and reputation.
- Age above 18 years.
- Should be local resident, at least matriculate and able to communicate

- effectively in local language and English.
- Should be having phone facility.
- Should operate from his place. Bank will not provide any office.

*Job profile:*

- Obtain leads on Home Loan requirements of individuals from various sources, viz. builders, municipal approvals, SBI branches etc.
- Meet intending Home Loan borrowers at a place and time convenient to them and explain Home Loan product details.
- Fill in Home Loan applications and obtain all the requisite documents, and deliver these to the Branch for further processing.
- Follow up the application till sanction.

*Business target*

- While no minimum target is stipulated, the HLC should be told to bring in about 5 proposals worth Rs.1 crore a month.
- If he fails to bring in a minimum business of Rs.2 crores in 6 months, his services will stand automatically terminated. But he will be paid commission for the proposals already mobilized.
- A suitable log book for the purpose should be maintained at the Branch.

*Remuneration:*

- 0.25% of the sanctioned loan amount (including loan sanctioned by the Bank for funding of premium of Home Loan Insurance Policy) subject to a maximum of Rs. 25,000/- per loan, payable on first disbursement of the loan.
- Remuneration will not be payable in cases where Bank is obliged to pay 0.25% of loan amount to builders/their executives/sales personnel under the builder tie-up arrangement or any other arrangement.

*Terms of empanelment:*

- Purely temporary.
- A notice to the effect that we are enlisting HLCs on the above terms may be put up at the Branch notice board and the staff members may be advised to spread the news through word of mouth publicity.
- Candidates, who turn up in response to such notice, may be interviewed by the Branch Manager, and if found suitable, empanelled for sourcing Home Loan proposals.
- A simple letter as per specimen enclosed at Annexure / HL-Z will be issued by the Branch Manager to the eligible candidates who opt for the service.
- A photo ID card (in the format enclosed at Annexure / HL-AA) with validity date mentioned on it, will be issued by the branch to HLC. HLC will be required to display ID card prominently while dealing with a potential customer on behalf of the Bank.

*Training:*

- The Branch Manager should arrange for a short briefing to the identified candidates on Home Loans and sourcing of applications.
- Wherever Home Loan Sales Teams are available their services could be utilized.

*Administrative control:*

- HLCs will be under the control of the Branch which has empanelled them.
- Branches will maintain Home Loan Counselor Empanelment register in the format enclosed at Annexure / HL.-AB. Entries made in the register should be authenticated by the Branch Manager.
- All proposals mobilized by the HLCs will be handled by the Branch which has empanelled them and forwarded to RACPCs for processing.
- Remuneration to them will be paid by debit to the Branch Charges Account.
- A monthly report to be submitted to the controller detailing the business canvassed and remuneration paid to HLCs.
- At controlling office, the Sales Planner or any other official authorized for the purpose will be the Channel Manager and will upload performance data regarding the business booked for management review.

*Targets for Branches :*

- Each branch linked to RACPC must endeavor to empanel about 10 HLCs.
- Each branch linked to RACPC will have an annual budget of Rs.20 Cr business under the initiative.

**50 . SBI Website – Online Sourcing of Applications.**

As an additional means of sourcing Home Loan applications, a link has been provided in the Home Loans section of the Bank's website [sbi.co.in](http://sbi.co.in) for sourcing online Home Loan applications from customers.

2. The applicants will now be able to compute their loan eligibility online, after filling in a shorter version of the normal application form designed for capturing contact details and parameters for computing loan eligibility. A special graphic titled "Apply Now" has been provided for this purpose at the beginning of the Home Loans section. These applications will be automatically directed to the e-mail id's of the HLSTs located at the place of the customers' choice.

3. The head of HLST should arrange to ensure that all such applications received online are dealt with preferably on the same day, by calling the

customer over phone/SMS or by sending a suitable communication through e-mail, advising the customers of the documents required for processing the Home Loan.

4. Applications pertaining to loans required at areas outside the service areas of the HLSTs should be forwarded to the nearest branches / HLSTs concerned under advice to the customer.

5. HLSTs should keep a record of all applications received through this channel including TAT and percentage of sanctions so as to measure the efficacy of this initiative.

#### 51. Product Codes.

Product	Product Code	Description
<b>Facility Type - Term Loan</b>		
SBI Home Loan – upto Rs.30 Lacs (Floating interest rate)	6250/2144	HTL FLOT(P) UPTO 30 LAC
SBI Home Loan – above Rs.30 Lacs and Less than Rs.75 Lacs (Floating interest rate)	6250/2145	HTL FLOT(P) ABV 30 LAC
SBI Home Loan - Above Rs.75 Lacs (Floating interest rate)	6250/2146	HTL FLOT(P) ABOVE 75 LACS
SBI Home Loan – upto Rs.30 Lacs (Fixed interest rate)	6250/2024	HTL FIX-PER upto 30 lacs
SBI Home Loan – above Rs.30 Lacs (Fixed interest rate)	6250/2025	HTL FIX-PER above 30 lacs
SBI Special Home Loan -upto Rs.5 Lacs (Fixed Interest rate for 5 years)	6250/2031	SBI SPECIAL HL Sch 5 lac
SBI Special Home Loan - above Rs.5 Lacs and upto Rs. 20 Lacs (Fixed Interest rate for 5 years)	6250/2032	SBI SPL HL >5-20 Lacs
<b>Facility Type - Overdraft</b>		
SBI MaxGain* – upto Rs.30 Lacs (Floating interest rate)	6050/2002	SBI-MAXGAIN HSG-LOAN- UPTO 30 LACS

SBI MaxGain* - above Rs.30 Lacs and Less than Rs.75 Lacs (Floating interest rate)	6050/2003	SBI-MAXGAIN HSG-LOAN-ABOVE30 LACS
SBI MaxGain* - Above Rs.75 Lac (Floating interest rate)	6050/2004	SBI MAXGAIN HSG LN ABOVE 75 LACS
SBI Special Home Loan - above Rs.5 Lacs and upto Rs. 20 Lacs (Fixed Interest rate for 5 years)	6050 /2005	SBI SPL HL >5-20 Lacs

(\*In case of SBI MaxGain, the branches will be required to adjust effective rate of interest at the account level)

SBI Realty- upto Rs.30 Lacs (Floating interest rate)	6250/2015	SBI REALTY FLOAT UPTO 30LAC
SBI Realty- above Rs.30 Lacs and Less than Rs.75 Lacs (Floating interest rate)	6250/2016	SBI REALTY FLOT ABV 30 LACS
SBI Realty- Above Rs.75 Lacs (Floating interest rate)	6250/2017	SBI REALTY FLOAT ABV 75 LACS
SBI Realty- upto Rs.30 Lacs (Fixed interest rate)	6250/2013	SBI REALTY FIXED UPTO 30 LAC
SBI Realty- above Rs.30 Lacs and Less than Rs.75 Lacs (Fixed interest rate)	6250/2014	SBI REALTY FIXED ABV 30 LACS
SBI Optima - upto Rs.30 Lacs (Floating interest rate)	6250/2703	HTL OPTIMA (FIXED) upto30 lacs
SBI Optima -Above Rs.30 Lacs (Floating interest rate)	6250/2704	HTL OPTIMA (FIXED)abv 30 lacs
SBI Optima - upto Rs.30 Lacs (Floating interest rate)	6250/2705	HTL OPTIMA (FLOAT) upto30 lacs
SBI Optima - Above Rs.30 Lacs and Less than Rs.75 Lacs (Floating interest rate)	6250/2706	HTL OPTIMA (FLOAT)abv 30 lacs
SBI Optima - Above Rs.75 Lacs (Floating interest rate)	6250/2707	HTL OPTIMA (FLOAT)abv 75 lacs
SBI GRAM NIWAS	6250/4002	T L GRAM NIWAS
SBI SAHYOG NIWAS	6250/4003	T L SAHYOG NIWAS
STAFF HOME LOAN AT COMMERCIAL RATE - FIXED	6259/2021	STAFF HL COMM.RATE FIXED
STAFF HOME LOAN AT COMMERCIAL RATE - FLOATING	6259/2022	STAFF HL COMM.RATE FLOAT

SBI HOME LINE	6250/1211	TL SBI HOMELINE SPL PER
SBI HOME PLUS (Term Loan)	6250/2151	HTL SBI HOME PLUS
SBI HOME PLUS (Term Loan - STAFF)	6259/2151	HTL SBI HOME PLUS STAFF
SBI HOME PLUS -OD	6050/2151	SBI HOME PLUS -OD (PER)
SBI HOME PLUS -OD (STAFF)	6059/2151	SBI HOME PLUS -OD STAFF
SBI REVERSE MORTGAGE LOAN	6050/2011	OD REVERSE MORTGAGE - PER
SBI Easy HL (under My Home Campaign)	6250/2068	Fixed Intt.
SBI Advantage HL (under My Home Campaign)	6250/2069	Fixed Intt.
SBI Hi-Five HL (under My Home Campaign)	6250/2070	Fixed Intt.
SBI Easy HL (under My Home Campaign)	6250/2168	Floating Intt.
SBI Advantage HL (under My Home Campaign)	6250/2169	Floating Intt.
SBI Hi-Five HL (under My Home Campaign)	6250/2170	Floating Intt.
SBI Easy HL (under My Home Campaign)	6050/2018	Over Draft
TL-SBI Easy Home Loans Apr'10	6250-2077	Fixed Intt.
SBI Easy Home Loans Apr'10	6250-2177	Floating Intt.
SBI Easy Home Loans -Maxgain Apr'10	6050-2021	Over Draft
TL- Easy Home Loans May'10	6250-2079	Fixed Intt.
TL- Advantage Home Loans May'10	6250-2080	Fixed Intt.
TL- Easy CRE Home Loans May'10	6250-2081	Fixed Intt.
TL- Advantage CRE Home Loans May'10	6250-2082	Fixed Intt.
TL- Easy Home Loans May'10	6250-2179	Floating Intt.
TL- Advantage Home Loans May'10	6250-2180	Floating Intt.
TL- Easy CRE Home Loans May'10	6250-2181	Floating Intt.
TL- Advantage CRE Home Loans May'10	6250-2182	Floating Intt.
Easy Home Loan May'10-Maxgain	6050-2024	Over Draft
ISHUP Scheme	6251-2704	Fixed Interest
ISHUP Scheme	6251-2705	Floating Interest
SBI Easy Home Loan (Surakshit)	6251-2083	Fixed Interest
SBI Easy Home Loan (Surakshit)	6251-2183	Floating Interest
SBI Advantage Home Loan (Surakshit)	6251-2084	Fixed Interest
SBI Advantage Home Loan (Surakshit)	6251-2184	Floating Interest
SBI Easy HL (Surakshit) Maxgain	6054-2025	Over Draft

# PART - II

*(Specimen Forms / Documents / other Annexures)*

**Home Loan Application**

STATE BANK OF INDIA _____ BRANCH		HOME LOAN		
<b>1. HOME LOAN APPLICATION FOR INDIVIDUALS</b>				
(PLEASE COMPLETE ALL PARTICULARS IN BLOCK LETTERS AND TICK BOXES WHEREEVER APPLICABLE)	Signed photograph of 1st Applicant		Signed photograph of 2nd Applicant	
	CIF NO. (FOR OFFICE USE)			
	ACCOUNT NO. (FOR OFFICE USE)			
<b>2. PERSONAL INFORMATION OF THE APPLICANTS</b>				
Name in full-1st Applicant				
Name in full -2nd Applicant				
	FIRST NAME ↑	MIDDLE NAME ( Father / Husband)	SURNAME ↑	
Relationship of 2nd applicant with 1st applicant				
PARTICULARS	1st Applicant		2nd Applicant	
1. Detailed Residential Address (House No., Road Name, Locality, City, PIN, District, State)				
2. Office Address (House No., Road Name, Locality, City, PIN, District, State)				
3. Permanent Residential Address (House No., Road Name, Locality, City, PIN, District, State)				
4. The name in which the correspondence should be addressed ( Mention 1st or 2nd applicant)				
5. Address for correspondence of (tick appropriate box)	Residential Address	Office address	Permanent Address	
6. E mail address				
7. Date of birth (DD/MM/YYYY)				
8. Age	Years	Months	Years	Months
9. Telephone Number ( Office & Residence)	Office	Residence	Office	Residence
10. Mobile No. / Fax No.	Fax No.		Fax No.	
11. Sex	M	F	M	F
12. Marital Status ( Please also tick Single if no living spouse)	Single	Married	Single	Married
13. Residential Status( indicates date of permanent return, if any)	Resident	NRI / PIO	Resident	NRI / PIO
14. Particulars of Identification Proof, (issue date, place, expiry date, etc. (Please indicate name of the document at (c), if any	(a) Voter ID No.			
	(b) Pass Port No.			
	(c) PAN			
	(d)			
15. If you don't have PAN, reasons thereof				
16. LOCKER (Yes / No), particulars like name of Branch, locker No., etc, if yes				
<b>3. OTHER INFORMATION OF THE APPLICANTS</b>				
PARTICULARS	1st Applicant		2nd Applicant	
1. Belong to (tick appropriate box)	SC	ST	S	ST
	OBC	GEN	OBC	GEN
2. Number of dependents	Children	Others	Children	Others
3 Educational / Professional qualifications				
4. Copy of Form No. 16 enclosed	Yes / No.		Yes / No.	
5. Present Residence status* - (tick appropriate head)	*Owned / Rented / Company provided / Parental		*Owned / Rented / Company provided / Parental	
OUR OTHER ATTRACTIVE PRODUCTS ON THE LAST PAGE				



4. FINANCIAL / INCOME INFORMATION						
PARTICULARS	1st Applicant			2nd Applicant		
1. Sources of Income ( income proof) : ( Please tick and enclose supporting document)	<input type="checkbox"/> Salary Certificate	<input type="checkbox"/> Income Tax Returns	<input type="checkbox"/> Employment Contract ( in case of NRsl / PIOs)	<input type="checkbox"/> Salary Certificate	<input type="checkbox"/> Income Tax Returns	<input type="checkbox"/> Employment Contract ( in case of NRsl / PIOs)
2. Month / Year / validity period of contract / employment						
3. Annual Gross Salary /Income						
4. Annual Net Salary / Income						
5. Other Annual Income as per I.T. return ( indicate source)						
6. Annual Income as per I.T.return						
7. Expected monthly / annual rental income from the proposed flat/house						
5. EMPLOYMENT DETAILS OF THE APPLICANTS (Please enclose small profile in respect of Pvt Cos.)						
PARTICULARS	1st Applicant			2nd Applicant		
1. Name of the employer						
2. Name of the department						
3. Designation & Employee No.(if available)						
4. No. of employees in the Company						
5. No. of years in present employment (If current employment is less than 5 years, details of earlier employment going back to a period of 5 years be attached.)						
6. Date of retirement						
6. DETAILS OF IMMOVABLE PROPERTY TO BE CONSTRUCTED / PURCHASED / RENOVATED / REPAIRED						
1. Address of the property - House No. / Plot No., Road, Area, City, PIN Code						
2. Landmark for identification of property						
3. Tick Type / Category of the Seller and mention full name of the seller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	Housing Society/Board	Development Authority	Private Builder	Individual		
4. Purpose - (Mention whether for purchase of new flat / house, resale flat / house, Purchase of plot of land, Construction of new house, Extension of house flat, Renovation of existing flat/house, repairs, etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	Outright purchase of new flat / house	Resale flat / house and age thereof	Construction of flat / new house	Extn / renovation / repairs of flat / house		
5. Present stage of Construction and expected time of completion						
6. Existing / Proposed Built up area of the flat / house						
7. Existing / Proposed carpet area of the flat / house						
8. Area of land / undivided share of land (in r/o flat)						
9. Rate per square ft ( for building / for land )						
10. Is the property mortgaged to any institution ( Bank / HFC ) ? Details thereof						
11. if yes, the loan details						

7. LOAN REQUEST						
	Purchase of new flat/house	Resale of flat/house	Construction of new house	Extension of flat / house	Repairs / Renovation of flat / house	Purchase of plot of land
A. Please tick the appropriate box	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Normal Housing Loan Scheme	SBI-Flexi' Housing Loan	SBI-Realty' Housing Loan	SBI-MaxGain' Housing Loan	SBI-NRI Housing Loan	Plus Scheme
B. Please tick the appropriate box	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost of property (Rupees)		Amount (Rs.)	Sources of funds (Rupees)			Amount (Rs.)
1. Cost of land			1. Amount already invested			
2. Cost of construction/flat/house/extension / repairs			2. Savings in Bank (A/c No. and Name of the Bank)			
3. Cost of amenities / Service charges			3. Disposal of Investment / Property - Brief Details			
4. Cost of repair / renovation / extension			4. P.F. - Refundable - Non refundable / Loans			
5. Miscellaneous			5. Others (specify)			
6. Cost of stamp duty / registration			6. LOAN APPLIED FOR			
Total cost*(should tally with funds) (excl.SBI Life Premium)			Total funds *(should tally with total cost)			
8. DETAILS OF FINANCIAL WORTH OF THE APPLICANTS						
PARTICULARS (Rs. In lacs)	1st Applicant			2nd Applicant		
	Details ( Account Number, Bank, branch,etc.)*	Amount	Bank's assessment	Details*	Amount	Bank's assessment
1. Address of the property - House No. / Plot No., Road, Area, City, PIN Code						
2. Landmark for identification of property						
3. Tick Type / Category of the Seller and mention full name of the seller _____	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Housing Society/Board		Development Authority	Private Builder		Individual
4.Purpose - (Mention whether for purchase of new flat / house, resale flat / house, Purchase of plot of land, Construction of new house, Extension of house flat, Renovation of existing flat/house, repairs, etc.	<input type="checkbox"/>		<input type="checkbox"/>	Age : <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Outright purchase of new flat / house		Resale flat / house and age thereof	Construction of flat / new house		Extn / renovation / repairs of flat / house
5. Present stage of Construction and expected time of completion						
6. Existing / Proposed Built up area of the flat / house						
7. Existing / Proposed carpet area of the flat / house						
8. Area of land / undivided share of land (in r/o flat)						
9. Rate per square ft ( for building / for land )						
10. Is the property mortgaged to any institution ( Bank / HFC ) ? Details thereof						
11. If yes, the loan details						

10. DETAILS OF EXISTING LOANS ( FROM STATE BANK OF INDIA OR OTHER BANKS)					
FIRST APPLICANT					
Purpose	Name of creditors - ( Bank / NBFC/Employer - Name and a/c No. and date of sanction	Loan Amt (Rs. In lacs)	EMI	Mode of repayment	Security charged ( Details in Annexure)
1. Housing loan					
2. Car loan					
3. PF Loan					
4. Personal and Others (Please specify)					
5. Total Liab. of 1st applicant **					
SECOND APPLICANT					
1. Housing loan					
2. Car loan					
3. PF Loan					
4. Personal and Others (Please specify)					
5. Total Liab. of 2nd applicant **					
11. PROPOSED / PREFERRED REPAYMENT					
1. Mode of Repayment (Please mention Tenor in years) - EMI / PDC / S.I., etc.					
<input type="checkbox"/> Check - off facility with employer		<input type="checkbox"/> Salary Account and Standing Instruction at Branch		<input type="checkbox"/> Post dated cheques	
2. Moratorium period requested (Moratorium will be included in the overall repayment period.				<input type="text"/> months	
(Note : i) For construction of house, purchase of flat/house on installment basis from Govt./Public Agency/Builder/housing society, etc., maximum moratorium permitted is 18 months from the date of first disbursement or till 2 months after completion of construction, whichever is earlier, ii) For other purposes, one month after the date of full disbursement.					
12. PROCESSING FEE / ADVOCATE'S / VALUER'S FEES DETAILS					
Amount	Cheque No.	Dated	Drawee Bank/Branch		
13. REFERENCES (AT LEAST TWO) - Names, addresses and telephone nos.					
1					
2					
14. GENERAL					
1. Do you wish to be covered by SBI Life Optional Group Insurance Policy ?	<input type="checkbox"/>	<input type="checkbox"/>	2. If Yes, Whether one time premium will be paid by you or you would like to add the premium to Housing Loan ?	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No		I will pay the premium	Please add the premium to Loan
2. Do you have existing relationship with SBI, if so, details thereof					
3. Do you wish to open Savings Bank with SBI ?					
4. Do you have any other Credit Card ? If so, name(s) of the Issuers(s).					
5. Any guarantee given to SBI/Other bank / HFC? If so, details -					
6. Other Connections with SBI	1st Applicant		2nd Applicant		
SBI CARD					
SBI MUTUAL FUND					
SBI LIFE					

15. DOCUMENTS REQUIRED ( FOR APPLICANTS & GUARANTORS)										
<input type="checkbox"/>	Sale Deed / Agreement of Sale									
<input type="checkbox"/>	Copy of Approved drawings of proposed construction / purchase / extension									
<input type="checkbox"/>	NOC under the Provisions of ULC Act, 1976. Original of the same									
<input type="checkbox"/>	Detailed cost Estimate / Valuation Report from Chartered Engineer / Architect									
<input type="checkbox"/>	In case of conversion of agricultural land for non/agricultural purposes, copy of the relative order									
<input type="checkbox"/>	Non encumbrance Certificate for 13 years									
<input type="checkbox"/>	Salary certificate & form 16 of previous year ( in case employed)									
<input type="checkbox"/>	I.T>Returns for the last 2 years ( 3 years in respect of professional / self employed / businessmen) ( if I.T.Assessee) duly accepted by the ITC									
<input type="checkbox"/>	Allotment letter of Co operative Society/ Housing Board ( if applicable), in original									
<input type="checkbox"/>	NOC from society / builder as per enclosed Annexure									
<input type="checkbox"/>	Proof of identification ( identity Card / Passport / Voter Identification Card / Driving licence )									
<input type="checkbox"/>	Tax paid receipts etc. (Advance IT / Property Tax / Municipal Tax, etc.)									
<input type="checkbox"/>	Others / Proof of Residence like tax receipt, telephone bill, electricity bill, I.T.Order,etc.									
<input type="checkbox"/>	Personal assetsand liabilities statement in bank's standard form									
<input type="checkbox"/>										
	<b>FOR SBI- NRI Housing Loan Scheme (in addition to above)</b>									
<input type="checkbox"/>	Copy of passport including page containing visa stamping									
<input type="checkbox"/>	Copy of valid work permit / employment contract									
<input type="checkbox"/>										
16. DECLARATION										
<p>I / We hereby apply for a loan from State Bank of India to the extent indicated in the Loan Request Section of this application form. I / We declare that the foregoing particulars and information furnished in this application form are true, accurate and complete and that they shall form the basis of any loan State Bank of India may decide to sanction to me / us. I / We confirm that I / We have / had no insolvency proceedings against me / us. Nor have, I / We been adjudicated insolvent. I / We further confirm that I / We have read the terms and conditions and understood the contents therein. I / We am / are aware that if I / We opt for loan at floating rates of interest, the Equated Monthly Instalment will comprise Principal and Interest based on State Bank Advance Rate which is subject to change from time to time.</p> <p>I / We agree that State Bank of India may at its discretion conduct discreet inquiries in respect of this application. I / We undertake to inform as to any change in my / our occupation/ employment, residential address and to provide any further information that the Bank may require. State Bank of India will be at liberty to take such action as it may deem necessary if my / our above statements are found to be untrue. I / We agree that State Bank of India shall have the sole discretion to reject / reduce loan amount / our loan application without assigning any reason thereof. I / We further agree that my / our loan transactions shall be governed by the rules of State Bank of India which may be in force from time to time. <u>also hereby give my consent to send the application to RACPC for sanction if in order and disbursement on sanction from RACPC or any Branch as per process prescribed by State Bank of India. I may carry out future transactions at the above mentioned Branch as Home Branch.</u></p>										
<b>1ST APPLICANT'S SIGNATURE</b> Place ....., Date.....	<b>2ND APPLICANT'S SIGNATURE</b> Place ....., Date.....									
17. FOR OFFICE USE ONLY										
At Branch / OSF -	Signature/s of the applicant/s obtained in our presence and verified and sent to RACPC on _____ Name & Signature ( Branch / OSF)									
<b>At RACPC ( Data related to CIF</b>	<table border="1"> <tr> <td>VIP Code ( 0 for No , 1 for Yes)</td> <td>Customer Type - Personal public, etc.</td> <td>Relative Code (father, spouse)</td> </tr> <tr> <td>Greetings required</td> <td>Occupancy (home owner, tenant, etc.)</td> <td>Customer evaluation required</td> </tr> <tr> <td>CIS Organization code</td> <td>Segment Code</td> <td>CIBIL Reference made</td> </tr> </table>	VIP Code ( 0 for No , 1 for Yes)	Customer Type - Personal public, etc.	Relative Code (father, spouse)	Greetings required	Occupancy (home owner, tenant, etc.)	Customer evaluation required	CIS Organization code	Segment Code	CIBIL Reference made
VIP Code ( 0 for No , 1 for Yes)	Customer Type - Personal public, etc.	Relative Code (father, spouse)								
Greetings required	Occupancy (home owner, tenant, etc.)	Customer evaluation required								
CIS Organization code	Segment Code	CIBIL Reference made								
Date _____	<b>SIGNATURE OF THE APPRAISING OFFICER</b>									

**PERSONAL ASSETS AND LIABILITIES STATEMENT**  
**P-SEGMENT LOANS**

**Description of immovable property**

(Please enclose Xerox copy of sale deed or land tax paid receipt)

House/Flat No. (area of land and house)	Address/Location	Owned/ Leased	Value if any, for loan availed and amount	Encumbrance,

**Other liquid assets -description and value**

Description	Value	Description	Value	Description	Value
NSCs		PF PPF		Gold Ornaments	
Mutual Fund Units		Shares/ Debentures		Others (Please specify)	

**Total : Rs.****Liabilities**

Description	amount	Description	Amount
Home Loan		Personal Loan	
Car Loan		PF Loan	
Other Loans			

**Total : Rs.**

I certify that the above information is true and correct

Name of the applicant/guarantor)

**Brief Opinion Report**

After perusal of the relative documents and on discreet enquiries made by me it is observed that Shri/Smt./Kum.....aged.....years, resident of.....is a person of integrity and has capacity to repay the .....loan (Scheme) of Rs.        applied for. His/Her Networth is Rs.        which is good for the loan amount and therefore, he/she has capacity to stand as Borrower/Guarantor to Shri/Smt./Kum..... :-

Market value of immovable property (a)	
Other liquid assets (b)	
Total (a+b)	
Less liabilities (c)	
Networth	

Asst./Dy. Manager(Advances)

Branch Manager

Place

Date :

.....  
.....  
.....  
(address of the disbursing authority)

Dear Sir /Madam,

Irrevocable Letter of Authority :  
State Bank of India’s Home Loan Scheme  
Employee No.....Designation.....  
-----

I, ....., am an employee of your organisation. The State Bank of India ..... Branch have agreed to sanction a loan of Rs. .... (Rupees ..... only) to me under their captioned scheme for .....

2(a) I hereby authorize you to recover by deduction from my salary payable to me by you, a sum of Rs. .... Rupees ..... only, every month, beginning from the month of ..... representing the monthly instalment payable by me to the State bank of India, ..... branch, for the aforesaid loan and rEMIt the amount to the aforesaid branch of the Bank.

2(b) I hereby authorise you to credit/continue to credit my salary to State Bank of India, ..... branch, payable to me by you every month, since the monthly instalments for repayment of the aforesaid loan are to be recovered by the ..... Branch of the SBI by debit to my saving Bank/Current Account No..... with them, in accordance with an undertaking furnished by me to the Bank.

3. In case of my death, retirement, resignation or discontinuing the service for any reason, I hereby authorise you to pay an amount payable on my account including amount payable by way of terminal benefits like P. F. and gratuity by reason aforesaid, to State Bank of India, ..... branch, towards the balance outstanding in the aforesaid loan account together with interest costs and/or any monies as may be due to the Bank in respect of the aforesaid loan.

4. I hereby agree that I shall not be entitled to withdraw or revoke this authority even in case of my transfer, or otherwise, until the whole of my debt inclusive of interest etc. to the State Bank of India, ..... branch is liquidated, and written consent of the Bank is obtained.

Yours faithfully,

**Witness :**

Signature.....

Signature.....

Full name .....

Full name .....

Designation.....

Designation.....

Branch.....

Branch/Dept.....

Date .....

Date .....

Note : Delete 2(a) or 2 (b) whichever is not applicable.

The Branch Manager,  
State Bank of India,  
.....

Dear Sir,

SHRI/SMT .....  
S/o W/o SHRI .....  
IRREVOCABLE LETTER OF AUTHORITY  
HOME LOAN SCHEME:  
-----

We certify that Shri/Smt ..... is a permanent employee of this organisation drawing gross salary of Rs. .... per month.

2. In view of your agreeing to grant to him/her a loan under the captioned scheme, we have received and noted \* :
  - i) The irrevocable letter of authority from the employee, for deducting a sum of Rs. .... from his/her salary per month beginning from the salary for the month of ..... and remit the same to you for crediting to his loan account till we receive further instructions from you.
  - ii) The irrevocable letter of authority from the employee, for crediting his/her salary every month to his/her account with State Bank of India, ..... branch, till we receive further instructions from you.
  - iii) The irrevocable letter of authority in respect of making payment out of any amount payable to the employee including the amount payable by way of terminal benefits like P. F. and gratuity in case of his/her death, retirement, resignation or discontinuing the service for any reason whatsoever, to State Bank of India, ..... branch, towards the balance outstanding in aforesaid loan account together with interest etc, and such payment shall be deemed to be a payment to the employee or on his account.
  - iv) The employee agrees that he/she will not be entitled to withdraw or revoke his/her authority, even in case of his/her transfer, until the whole of his/her debt inclusive of interest to the State Bank of India..... Branch is liquidated and written consent of the Bank is obtained.
3. In the event of transfer of the employee elsewhere, we undertake to convey the instructions to the transferee office under advice to you, immediately.

Signature of the Officer  
(authorised to disburse salary and allowances)

Date :

\* Note : delete 2(i) or 2(ii) whichever is not applicable.



The Branch Manager,  
State Bank of India,  
.....

Dear Sir,

SHRI/SMT .....  
S/o W/o SHRI .....  
IRREVOCABLE LETTER OF AUTHORITY  
HOME LOAN SCHEME:  
-----

I intend to avail/have availed the benefit of aforesaid scheme, at present I am serving as ..... in ..... Department at ..... I am authorised to draw and disburse my own salary along with the salaries of the employees working in this Office/Establishment/Department.

I undertake to deposit my salary supported by the pay bill every month for credit to the Saving Bank /Current account maintained at your branch till liquidation of the amount advanced to me with upto date interest etc.

I further authorise you to deduct a sum of Rs..... per month beginning from the salary for the month of ..... 200 . from the aforesaid account for adjustment towards the balance outstanding in the loan account till liquidation.

I hereby authorize State Bank of India, ..... Branch to collect and receive any amount payable towards provident fund, gratuity, Pension or similar dues on my behalf in the event of my retirement/Resignation/Termination or Discontinuation of my services for any reason whatsoever.

I further agree that the aforesaid authority shall be irrevocable till the entire amount of loan together with interest stands liquidated.

I further undertake to execute necessary authorization/ Documents as deemed just and necessary by the Bank in accordance with the scheme in the event of my ceasing to be drawing and disbursing authority by virtue of my transfer or otherwise.

Signature of the officer  
(authorised to disburse salary  
and allowances)

Date :

(SPECIMEN OF MEMORANDUM OF TERM LOAN AGREEMENT FOR HOME LOAN GRANTED TO PUBLIC)

TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE WITH THE STAMP ACT IN FORCE IN THE STATE IN WHICH THE DOCUMENT IS EXECUTED AND NOT TO BE ATTESTED

To STATE BANK OF INDIA .....

PLACE : DATE :

Dear Sirs,

Whereas, State Bank of India, a body corporate constituted under State Bank of India Act 1955, having its Corporate Centre at Madame Cama Road, Nariman Point, Mumbai-400 021 having one of its Branch Offices at.....(hereinafter called the "the Bank" which expression shall include its successors and assigns) having, at my/our request{.....Son/Daughter/Wife of.....at present aged around.....and residing at.....and.....Son/Daughter/Wife of.....at present aged around ..... and residing at.....(hereinafter, called "the Borrower" which expression shall include his/her respective heirs, executors, administrators and assigns)} granted me/us \*Home Loan limit / 'SBI-Maxgain'(on Overdraft basis) / of Rs.....(Rupees .....) for purchase/construction of a flat/house/ plot of land or for extension/repairs/ renovations of an existing house/flat/purchase of consumer durables and furnishings/funding of Home Loan insurance cover (hereinafter referred to as the 'project'), situated at .....

(\*Delete whichever is not applicable)

2. In consideration of the grant of the said advance and continuance of the said facility for such time as the Bank may deem fit, I/we, "the Borrower(s)" do hereby irrevocably and unconditionally agree and undertake , so as to bind myself/ourselves, my/our heirs, executors, administrators, estates, assigns and effects as follows, viz.

- a) The disbursement of the amount of the loan shall be at the Bank's absolute discretion and shall be co-related to the actual progress in the construction of the project. Such disbursements shall be made by means of Bankers cheques drawn in favour of the builders/promoters duly authorized or to engineer/architect/contractor or to suppliers of goods and services when the construction is undertaken by the Borrower and instruct you to make payment for the purpose of the 'project'. The Bank may, at your discretion and at my/our request credit a part of the loan amount to my/our current/savings bank account (maintained in single or joint names) to enable me/us to make payments to suppliers of goods and services. I/We shall submit to the Bank, within a reasonable time, satisfactory proof of the proper utilisation of the amount of the loan, such as Architect's certificate, certifying the value of the work carried out,

Contractor's bills, stamped receipts, sale agreement for house/flat etc. If considered necessary by the Bank, I/we shall produce, at my/our cost, photographs showing the progress of construction work carried out by me/us, which photographs besides showing portion of the neighbouring properties, shall be certified by persons whose certificates are acceptable to the Bank.

- b) I/We shall repay the amount of loan as per arrangement/sanction letter which forms part of this Agreement in equated monthly instalments of Rs..... each till the entire loan with interest is fully repaid. The equated monthly instalments also include interest component. The Bank reserves the right to levy pre-closure charges of 2% of the amount prepaid in excess of normal EMI dues in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

Loan on fixed interest basis

Interest on the amount of the loan will be applied at the rate.....per cent per annum on daily reducing balance with monthly rests, subject to **interest rate reset at the end of every two years** on the basis of fixed interest rates prevailing then. Bank may at its discretion stipulate the periodicity of computation of interest. Further, Bank may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates or due to any reason whatsoever during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. Bank shall be the sole judge to determine whether such conditions exist or not. If we are not agreeable to the revised interest rates so fixed, I/We shall request the Bank, within 15 days of receipt of the notice intimating changed interest rates from Bank to terminate the Loan and shall repay the Loan and any other amount due to Bank in full and final settlement in accordance with the provisions of this Agreement relating to prepayment

Loan on floating interest rate basis

Interest on the amount of the loan will be applied at the **rate of .....per cent above BASE RATE which presently \_\_\_\_\_ % p.a.** and thus the **present effective rate on the loan being.....% p.a. rising and falling with Base Rate,** at monthly rests calculated on the daily balance of the loan amount. Provided that the Bank shall at any time and from time to time be entitled to change the rate of interest depending on changes in Base

Rate. Notwithstanding the above the Bank is also entitled to increase the rate of interest, at its sole discretion, even if there is no change in Base Rate and such revised rate of interest shall always be construed as agreed to be paid by the borrower(s) and hereby secured. Borrowers shall be deemed to have notice of change in the rate of interest whenever the changes in Base Rate or increase in interest rates without any change in Base Rate are either displayed/notified at/by the branch or published in newspaper or made through entry of interest charged in the passbook/statement of accounts sent to the borrower(s).

Salary account concession\$ I/We, the Borrower(s), am/are aware that concession of .....% p.a. is included in the above mentioned interest rate on account of maintenance of my/our salary account with the Bank and the same is referred as Salary Account Concession in this Agreement.

I/We declare and confirm that in the circumstances like change in job etc., wherein the salary is not credited by my/our employer to account maintained with the Bank, I/We undertake to advise such development to the Bank, further I/We would issue standing instructions to the salary account servicing bank to transfer entire salary credit to my/our account maintained by the Bank for continuation of Salary Account Concession as mentioned above and for the limited purpose of continuation of concessions in interest rates, my /our account with the Bank under the arrangement will be reckoned as pseudo-salary account.

I/We further agree and confirm that in the event of discontinuation of my/our salary account/pseudo-salary account with the Bank, the Bank shall have the right to withdraw the salary account concession and the Bank shall have the right to revise the interest rate accordingly and I/We will not raise any objection /dispute to the said action of the Bank".

**\$ delete, if not applicable**

Without prejudice to the Bank's other rights and remedies, the Bank shall be entitled to charge at its own discretion enhanced rates of interest on the outstanding in the loan account (s) or a portion thereof for any default or

irregularity on my/our part which in the opinion of the Bank warrants charging of such enhanced rates of interest for such period as the Bank may deem fit. The Equated Monthly Instalments will have to be paid till the entire loan and the interest is fully repaid. Further, the amount of Equated Monthly Instalment may change/increase as may be decided by the Bank. Besides the Bank shall also charge a penalty, the rate of which shall be at the discretion of the Bank, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable.

Such enhanced interest will start accruing from the date of disbursement of the loan or the date of disbursement of the first instalment of the loan where such loan is paid in instalments or from 30 days from the due date of equated monthly instalments (EMI) if it remains unpaid for a period of 30 days from the due date, for any reason, including bounced cheque.

c) If the loan amount has been utilised by me/us for purchase of ready built house/flat, I/we shall pay the first such monthly instalment following the month in which the loan amount is disbursed to me/us. The subsequent monthly instalments shall be paid before the last day of each subsequent month. If the loan amount has been utilised for construction of / additions to house/flat, I/we may be permitted to pay the first such monthly instalment till 2 months after the month in which the house/flat has been completed or on the expiry of 18 months from the date of disbursement of the first instalment, whichever may be earlier. The subsequent monthly instalments will be paid before the expiry of each subsequent month.

d) Pre-EMI interest :

(i) \* I/We have opted for servicing of Pre-EMI interest and have already delivered or hereby undertake to deliver post-dated cheques drawn at monthly intervals for servicing of the amounts of Pre-EMI interest during the moratorium period.

(ii) \* I/We have opted for capitalizing the Pre-EMI interest and agree that loan amount will be fixed suitably taking into account approximate Pre-EMI interest during the moratorium period as detailed in paragraph pertaining to the Pre-EMI interest in the Arrangement letter dated.....I/We hereby unconditionally agree to execute necessary authority in favour of my/our employer or tender post-dated cheques towards EMI's of the loan amount. If necessary I/we would request for resetting of EMI's based on the actual outstanding in the loan account after final disbursement.

(\* score off whichever is not applicable)

e) I/We declare and confirm that the amount of the loan or the balance then outstanding shall become payable at once in case of my death or death of anyone of us. In case of death, the Bank may, at its discretion, continue the loan provided sufficient collateral security is furnished by my/our legal heirs/surviving borrower(s) or some satisfactory arrangement for repayment acceptable to the Bank has been made by my/our legal heirs/surviving borrower(s).

- f) I/We shall arrange for the payment of the equated monthly instalments from my/our monthly salary or in whatever manner deemed fit \* or by debit on the due dates from the Current /Savings Bank account with Branch/or any other Branch where I/we may hold the account singly or jointly and to appropriate the same in repayment of the said loan and interest.

I/We shall execute in favour of the Bank a letter of authority, addressed to my/our employers to recover and pay to the Bank the equated monthly instalment from my/our salary every month\*.

\* Delete if not appropriate.

- g) On demand I/We agree to deliver to the Bank post-dated cheques for the monthly instalments and warrant that the cheques will be honoured on first presentation. Any non-presentation of a cheque due to any reason will not affect my/our liability to pay the monthly instalments or any other sum. I/We agree to forthwith replace the cheques/issue fresh cheques, if required by the Bank. I/We shall not be entitled to call upon the Bank to refrain from presenting any cheque for payment and if I/we do so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under the Negotiable Instruments Act, shall apply. I/We also agree to pay a penalty as stipulated by the Bank from time to time, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable.
- h) I/We declare and confirm that on my/our retirement, the outstanding amount of the loan sanctioned to me will become repayable at once. The Bank may, at its discretion, continue the loan provided satisfactory arrangement for repayment, acceptable to the Bank has been made by me/us.
- i) In the event of cessation of my/our business/service with my/our employers by way of resignation or otherwise (except as a result of death or retirement), I/we undertake to repay to the Bank forthwith on demand the balance principal amount of the loan, or the balances then outstanding whichever is higher.
- j) In the event of my/our ceasing to be in business/service of my/our employer whether by retirement, resignation, death or by operation of law or for any other reason or cause whatsoever and howsoever the Bank shall be entitled at its discretion, to write to my/our employers to appropriate and set off (i) any amount which may then be payable by my/our employers to me/us whether by way of salary, allowances, bonus, other remuneration or any payment (whether ex-gratia or otherwise) whatsoever and (ii) any amount that may be standing to the credit of any account which I/we may have with my/our employers or with the Bank, either singly or jointly, towards repayment of the balance that may be then remaining due and payable by me/us in my/our said loan account together with interest thereon at the applicable rates upto the date of such repayment. Any such appropriation made by the Bank or my/our employers shall be conclusive and binding on me/us and my/our estate both in and out of court. In any event my/our liability to make repayment of the entire dues

immediately shall remain valid till the entire amount with applicable interest as up to the date of payment has been realised by the Bank whether by way of recovery from my/our employer or otherwise.

- k) I/We will not sell assign, mortgage, charge or in any way encumber or alienate the said flat/house/land or any part thereof/consumer durables/furnishings so long as I/we am/are indebted to the Bank in the said loan account without prior permission of the Bank in writing. I/We undertake to give prior intimation to the Bank before letting out / giving on leave and licence the said flat/house. In the event of my/our account becoming irregular, NPA the Bank is at liberty to take vacant possession of building/flat/house (prEMIses) from me/us, and hire the said prEMIses at market rent for its commercial or residential purpose as the case may be and adjust the proceeds of the hire charges towards outstanding of my/our loan account.
- l) The loan shall be secured by a valid equitable/legal mortgage of the land/house/flat purchased/constructed by me/us for which the Loan facility is provided by executing/registering such documents in such form as may be decided by the Bank. I/We shall, if required by the Bank, give such further security as acceptable to the Bank forthwith on demand by the Bank. In case it is not possible to create security by way of mortgage as aforesaid I/we shall forthwith on demand arrange for other collateral securities, by way of pledge/hypothecation, such as Bank's Fixed Deposits, National Savings Certificates, Kisan Vikas Patra, Life Insurance Policies , promissory notes issued by any Govt., shares or debentures of the companies, sufficient quantity of gold or gold ornaments or other articles or things acceptable to the Bank as security for the loan. The loan shall also be secured by the guarantee of a person acceptable to the Bank and good for the loan amount involved and by mortgage of the guarantor's property also or pledge/assignment/hypothecation of other securities acceptable to the Bank , if need be.
- m) I/We shall obtain at my/our cost and produce for the satisfaction of the Bank a certificate from the Advocate/Solicitors approved by the Bank certifying that I/we will have clear, valid and marketable title to the land/house/flat proposed to be purchased by me/us and agree that the Bank shall be entitled not to disburse any amount of the loan until such certificate has been produced by me/us.
- n) I/We shall maintain the flat/house in good tenantable repair and condition at my /our cost at all times so long as I/we am/are indebted to the Bank and that I/we shall ensure that the Bank's security is not in any way jeopardised. I/we shall duly and punctually pay the charges, if any, payable to the Co-operative Housing Society/condominium association and also all the municipal/revenue taxes, charges, rates, cesses etc. from time to time payable by me/us in respect of the flat/house/land. The Bank shall be at liberty to inspect the flat/house/land at any reasonable time and I/we shall furnish all such information/particulars whatsoever as and when called upon to do so by the Bank .I/We shall provide the required no-objection consent for creating a charge on the property secured

for the Loan, from the Society/Condominium or any other permissions by any authority necessary for creating the security in favour of the Bank.

- o) I/We shall at my/our cost insure and keep insured in the joint names of myself/ourselves and the Bank my/our house/flat at all times against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God for such other risks for its full market value as desired by the Bank from time to time and shall endeavour to get the building in which my/our flat is situated insured against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake, risks and other acts of God at all times by the Co-operative housing society/apartment owner/association or any other body under whose control the building is vested. I/we shall deliver copies of the insurance policies, cover notes, premium receipts, etc., to the Bank. If I/we fail to effect such insurance the Bank will be at liberty but not obliged to insure the said house/flat against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God and debit the premium and other charges to any of my/our accounts with the Bank. I/we expressly agree and declare that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the insurance company and the insured arising from or under or in connection with any such policy or policies of insurance and such adjustment, settlement, compromise or any award made on such reference to arbitration shall be valid and binding on me/us. I/we further agree that the Bank shall have a right to receive all moneys payable under any such policy or under any claim made thereunder and to give a valid receipt therefor and that the amount so received shall be credited to my/our loan account and I/we will not be entitled to raise any question that a larger sum might or ought to have been received or to dispute my/our liability for the balance remaining due on such account after such credit.
- p) I/We agree and declare that notwithstanding anything contained herein or in any other security documents the entire amount of the loan or the balances then due shall, if so decided by the Bank, become forthwith due and payable by me/us to the Bank, upon the happening of any of the following events and the Bank shall be entitled to enforce its dues and security.
- i) any instalment of the principal remaining unpaid for a period exceeding one month after the due date for payment thereof has expired;
  - ii) any interest including penal interest remaining unpaid and in arrears for a period of one month after the same has become due whether demanded or not;
  - iii) any breach or default in the performance or observance of any of the covenants contained in these presents and/or the security documents or any other term or condition relating to the term loans;
  - iv) entering into any arrangement or composition with my/our creditors or committing any act of insolvency;



- v) any execution or distress being enforced or levied against the whole or any part of my/our property;
- vi) a receiver being appointed in respect of the whole or any part of my/our property;
- vii) the occurrence of any circumstances which is prejudicial to or impairs, imperils or depreciates or which is likely to prejudice, impair, imperil or depreciate the security given to the Bank ; and
- viii) the occurrence of any events or circumstances which prejudicially or adversely affect in any manner my/our capacity to repay the amount due under the loan.

On the question whether any of the above event/s has/have happened, the decision of the Bank shall be conclusive and binding on me/us.

Provided always that the Bank may in its discretion refrain from forthwith enforcing its rights under this Agreement in spite of the happening of the contingencies aforesaid and provided further that the failure or delay by the Bank in exercising any right, power or privilege hereunder or under any of the security documents shall not impair/extinguish the same or operate as waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies herein and in the security documents are cumulative and not exclusive of any rights and remedies provided by the law.

- q) I/We also agree that the Bank shall also be entitled to transfer loan account to any of the branches of the Bank after giving due notice to me/us.
  - r) I/We shall abide by the terms and conditions of the sanction of the loan to me/us as mentioned in the arrangement letter/sanction letter which forms part of this agreement and also to the rules for such loans which are now in force and also those which may be altered, revised, amended, added from time to time by the Bank/the Reserve Bank of India/Central Government/State Government.
- The undertakings, authority and agreements herein contained shall be irrevocable so long as I/we continue to be liable to the Bank in the said loan account.
  - I/We hereby further agree that as precondition of the loan/ advance given to me/us by the Bank, that in case of default in repayment of the loan/advances or in the repayment of the interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish my/our name(s), details and photograph(s) as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.

- I/We further agree that the Bank is at liberty to disclose/share my/our Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to me/us and the nature of the securities given by me/ us, the guarantees furnished to secure the said loans whether fund based or non-fund based, my/our creditworthiness and any other manner which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies and the Bank is not liable in any manner to me/us for providing the information as aforesaid to the Information Company.
- I/We agree that the Bank has absolute right to assign this agreement in favour of any person including securitisation company or reconstruction company under the SARFAESI Act and on such assignment, I/We will be liable to such assignee as if assignee is the Bank/lender and assignee will have all rights against me/us and as well as overall properties either given as security or otherwise to recover all debts/liabilities payable by me/us under this agreement.
- **Notwithstanding anything contained hereinabove, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by us, and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.**
- I/We declare that I have understood all the terms and conditions for the sanction of this loan and agree to abide by the same and also by the rules and regulations which may be issued by the Bank in future from time to time and in the event of my/our failing to do so, the Bank will have a right to recall the advance without prejudice to the Bank's right to take such appropriate action as the Bank may deem it fit and proper.

Signed and delivered by :

Shri/Smt./Kum.....  
(Borrower) (Signature)

Shri/Smt.Kum.....  
(Borrower) (Signature)

Signed for and on behalf of  
State Bank of India by  
Shri/Smt.....  
(Dy. General Manager/ Asst. General Manager/  
Chief Manager/ Branch Manager  
.....Branch,  
an authorized officer of State Bank of India (Signature)

(To be stamped as an agreement in accordance with Stamp Act in force in the State in which this document is executed. Not to be attested.)

**GUARANTEE AGREEMENT**

Place :

Date :

The.....  
STATE BANK OF INDIA  
.....

Dear Sir,

In consideration of the State Bank of India (hereinafter referred to as "the State Bank") having agreed to grant/granted at my/our request \*Home Loan Limit /'SBI Maxgain'(on Overdraft basis) of Rs..... (Rupees ..... ) by way of loan to Shri/Smt/.Kum.....Son of /wife of/daughter of Shri ..... (Thereinafter referred to as "the Borrower") for purchasing flat/construction of house/flat, addition thereto at .....

(Detailed particulars of property are to be stated)

\*Delete whichever is not applicable

I/We Shri/Smt/Kum. ....Son of/wife of/daughter of Shri ..... and Shri/Smt/Kum..... son of /wife of/daughter of Shri ..... residing at ..... hereby guarantee repayment of all money at any time payable by the Borrower to the Bank in respect of the said loan made to the Borrower with interest thereon and the due performance and observance by the Borrower of the terms pertaining to the loan including the Loan Agreement dated..... executed by the Borrower in favour of the State Bank and the terms and conditions contained in the agreement letter dated ..... issued by the State Bank to the borrower (hereinafter called the said agreement) and the payment of all costs and expenses incurred by the Bank in relation thereto and I/we also agree to pay and make good to the Bank on demand all losses, costs, damages and expenses occasion to the Bank by reason of non payment of the said monies, cost and expenses or any part thereof or the breach, non-performance or non-observance of any of the terms under the said agreement as aforesaid, subject to the terms and conditions hereinafter contained:

That my/our liability under this guarantee is co-extensive with that of the Borrower as if I/we were the principal debtor(s) of the Bank and the amount due under this agreement will be recoverable from me/us without any recourse to the Borrower and it shall not be obligatory on the Bank to call upon the Borrower to pay the amount first or to take any action against the borrower before enforcing the guarantee against me/us nor shall it be necessary for the Bank to join the Borrower in any suit against

me/us. I/We further agree that the guarantee given there under is irrevocable and enforceable notwithstanding any dispute or any suit that may be pending between the Bank and the Borrower.

That the guarantee given shall be continuing one.

That on demand being made by the Bank for the payment of any amount under this guarantee the same shall be paid without demur or protest by me/us and the notice for the claim sent to me/us shall be conclusive of the amount due from me/us under the terms of the guarantee.

The Bank shall be at liberty and without the consent or knowledge of me/us at any time or from time to time to grant to the Borrower or any person liable for him any time or indulgence and to determine enlarge or vary the amount of the loans and advances to take or not to take and if taken to vary exchange or take other security or release or part with any securities held or to be held by the Bank for or on account of the loans and advances or any part thereof and to compound or make any other arrangement with the Borrower or any person so liable with or for the Borrower without releasing or discharging and/or in any manner affecting my/our liability under the guarantee.

That the guarantee hereby given is independent and distinct from any security that the Bank has taken or may take in any manner whatsoever whether it be by, way of hypothecation, pledge and/or mortgage and/or any other charge over goods, book debts, movables and other asset and/or any other property movable or immovable and that I/We have not given the guarantee upon any understanding, faith or belief that the Bank has taken and or may hereafter take any or other such security and that notwithstanding the provisions of sections 140 and 141 of the Contract Act, 1872 or any other provision of that Act or any other law, I/We will not claim to be discharged to any extent because of the Bank's failure to take any or other such security or in requiring or obtaining any or other such security or losing, or parting with for any reason whatsoever including reasons attributable to its default and negligence benefit of any other such security or any rights to any or other such security that have been or could have taken and in the event of the Bank so losing or parting with security the guarantor (s) shall be deemed to have consented to acquiesce in the same.

That without prejudice to the effect in any manner whatsoever of the foregoing clause, where the loans and advances are secured or intended to be secured in any manner whatsoever by or over any property movable or immovable whatsoever by way of hypothecation, pledge and/or mortgage of and/or any charge over goods, book debts. Movable and other assets by or under any agreement(s) or letter(s) or otherwise I/We will not be concerned in any manner with any or other such security that the Bank has taken or proposes to take or may take and that the Bank's failure in requiring or obtaining any or other such security or in the observance or performance of any of the stipulations or terms contained in any agreement (s) if any or letter (s) and the default of the Bank in requiring or endorsing the observance or performance of any of the said stipulations or terms shall not have the effect of releasing me/us from my/our liability and or of prejudicing the Bank's rights or remedies against me/us under the Agreement or otherwise.

That the Bank shall be at liberty to take other securities for the loans and advances or any part thereof and to release or forbear to enforce all or any of its remedies upon or under such securities and any collateral security or securities now held by the Bank and that no such release or forbearance as aforesaid shall have the effect of releasing me/us from my/our liability or of prejudicing the Bank's rights and remedies against me/us under the terms of the guarantee and that I/we shall have no right to the benefit of any other security that may be held by the Bank until the claim of the Bank against the Borrower in respect of the loans and advances and of all the other claims (if any) of the Bank against the Borrower on any other account whatsoever shall have been fully satisfied and then in so far only as such security shall not have been exhausted for the purpose of realising the amount of the said Bank's claims and rateably only with other guarantors or other persons if any entitled to the benefit of such securities respectively.

That notwithstanding anything contained in Section 133 of the Indian Contract Act or in any other provisions of law. I/We will not claim to be discharged to any extent because of the Bank varying any of the terms and conditions whether contained in any agreement (s) or letter (s) and on which the loan has been made to the Borrower and for this purpose and in particular any excess drawings over and above the sanctioned limit of the loans and advances allowed by the Bank at or without the specific request of the Borrower shall not discharge me/us from my/our liability under this guarantee.

I/We hereby agree (s) that notwithstanding any variation made in the terms of the Loan Agreement dated..... Or any other Agreement or letter inter alia including variations in the rate of interest, extending the date of payment of the instalments and on which the loan has been made or any composition made between the bank and the Borrower or any agreement on the part of the Bank to give time to or not to sue the Borrower or the Bank parting with any of the securities given by the Borrower, I/We shall not be released or discharged of his/their obligations under this guarantee provided that in the event of any such variation or composition or agreement the liability of me/us shall notwithstanding anything herein contained be deemed to have accrued and I/We shall be deemed to have become liable hereunder on the date or the dates on which the borrower shall become liable to pay the amount/amounts due under the above referred to Agreements as a result of such variation or composition or agreement.

That if the Borrower shall become insolvent, bankrupt or makes any arrangement or composition with creditors the Bank (notwithstanding payment to the Bank by me/us or any other person of the whole or any part of the amount hereby secured) rank as creditor and may prove against the estate of the Borrower for the full amount of all the Bank's claims against the Borrower or agree to and accept any composition in respect thereof and the Bank may receive and retain the whole of the dividends, compensation or other payments thereof to the exclusion of all my/our rights as guarantor (s) for the Borrower in competition with the Bank until all the Bank's claims are fully satisfied and I/we will not be paying off the amount payable by me/us or any part thereof or otherwise prove or claim against the estate of the Borrower until the whole of the Bank's claims against the Borrower, in respect of all the liabilities whatsoever have been satisfied and the Bank may enforce and recover

payment from me/us of the full amount payable by me/us notwithstanding any such proof or composition as aforesaid.

I/We shall not stand discharged by transfer of the loan account of the borrower from one branch to another and such transfer of the account shall not be deemed as a variation of the terms of the contract.

That any notice by way of demand or otherwise may be given by the Bank to me/us sending the same by post and addressed to me/us and the notice shall be deemed to have been given at the time when it will be delivered in the ordinary course of post and it will be sufficient in order to prove service of any such notice and to prove that the envelope containing the same was posted and the certificate signed by any officer duly authorised by the bank in this regard that the envelope was posted, shall constitute such proof.

That I/we herein authorise the Borrower(s) to acknowledge the debt, on his behalf also and any such acknowledgement or payment made by the Borrower(s) in respect of the Loan, shall and shall always deem to extend the Limitation as against the guarantor(s) also

I/We agree that the Bank has absolute right to assign this agreement in favour of any person including securitisation company or reconstruction company under the SARFAESI Act and on such assignment, I/We will be liable to such assignee as if assignee is the Bank/lender and the assignee will have all rights against me/us and as well as overall properties either given as security or otherwise to recover all debts/liabilities payable by me/us under the agreement.

That the guarantee herein contained shall not be determined or affected by the death of me/us hereunder but shall in all respects and for all purposes be binding and operative on my/our successor (s) heir (s) and assigns until repayment of all moneys secured by and due to the Bank under the loan granted to the Borrower.

We further agree that I/we shall be jointly and severally liable to the bank for the entire outstanding in respect of the loan and that the Bank shall be at liberty to sue either or any of us in respect of such liability without joining the other or others of us and notwithstanding any degree in any such suit subsequently to sue the others of us and to proceed to judgement and execution at the option of the Bank until its claim is fully satisfied.

Signed and delivered by the said

Shri..... (Guarantor).....  
Shri..... (Guarantor).....and  
Shri..... (Guarantor).....  
Place:.....  
Date:.....

**(SBI Home Loans-Power of Attorney : Draft for Defence Employees)  
(To be stamped in accordance with State Stamp Act)**

**POWER OF ATTORNEY**

**I. TO ALL TO WHOM THESE PRESENTS SHALL COME:-**

I, \_\_\_\_\_ (Name) S/O,  
W/O,D/O, \_\_\_\_\_ (Name) of  
\_\_\_\_\_ (place), Indian inhabitant residing at  
\_\_\_\_\_.

**WHEREAS:**

A. I, (Name) \_\_\_\_\_ son/ daughter/ wife of  
\_\_\_\_\_ am desirous of purchasing a residential property at (place)  
\_\_\_\_\_, in my single name / jointly with Shri./ Smt.  
\_\_\_\_\_ son/ daughter/ wife of Shri \_\_\_\_\_.

B. For purchase of the above mentioned property I have decided to avail loan from State Bank of India (Hereafter referred to as "the Bank").

C. I am a defence employee presently posted at \_\_\_\_\_ (name of the unit). Due to the demands of my job I am not in a position to be present personally at \_\_\_\_\_ (place where loan documents are to be executed) for executing various documents necessary for availing loan from the Bank.

D. I am hence, desirous of appointing my father/ mother/ brother/ sister/ son/  
daughter/ husband/ wife Shri/ Smt. \_\_\_\_\_ son of / daughter of  
/ wife of Shri /Smt. \_\_\_\_\_ residing at  
\_\_\_\_\_

as my constituted attorney for execution of loan documents stipulated by the Bank.

**A. NOW KNOW YE AND THESE PRESENTS SHALL WITNESSETH:-**

I, \_\_\_\_\_ S/O, W/O,D/O,  
\_\_\_\_\_ of \_\_\_\_\_ (place), Indian

inhabitant residing at (complete address)

---

---

do hereby **irrevocably nominate, constitute and appoint** my father/ mother/ wife/  
husband/ sister/ brother/ daughter Shri/ Smt.

\_\_\_\_\_ aged about \_\_\_\_\_ years **as my**

**constituted attorney** to do the following acts, deed, matters and things among others

viz:-

To negotiate and purchase any residential property in my name and on my behalf, to execute agreement for sale, deed of transfer, sale deed, or any other documents as may be required by law.

- 2 To lodge the documents so executed with the sub-register of assurances having jurisdiction to receive the same for registration and appear before him.
- 3 To operate the Account(s) in the Bank by depositing the amounts in such Bank Accounts and withdraw the amount either in cash or by Cheques or to sign mandate for debits to my accounts through Standing Instructions, Electronic Clearing System etc. on my behalf.
- 4 To deposit the title deeds in respect of the property purchased or agreed to be purchased with the Bank for creation of charge.
- 5 To execute necessary document for creation of any type of mortgage, power of attorney, declaration and all other documents required by the Bank for creation of valid mortgage. If required by the Bank, to lodge the said mortgage documents or other loan documents with the sub-registrar of Assurances having jurisdiction to receive such documents for registration, appear before such sub-registrar.
- 6 To execute Promissory Note, agreement(s) for availing Home Loans from State Bank Of India, or any other documents as required by the bank.
- 7 To pay all taxes rents, charges, dues, expenses and all other payments and outgoings whatsoever due and payable or which may become due and payable by me in any account in connection with the said property or and part thereof.
- 8 To repay interest amount and installments as stipulated by the Bank.
- 9 To secure my liability for repayment of all the amounts payable by me under or in respect of the said loan availed by me from the Bank.
- 10 To employ experts, professional such as solicitors, advocates, barristers, pleaders, accountants, persons, agents, assistants, clerks, servants and workers for managements, administration, recovery and protection of the said property or appoint other or others in place of them and pay to the persons so employed such remuneration honorarium, wages and fees as the said attorney may think fit.
- 11 To adjust, settle, compromise or submit to arbitration any claim and demands whatsoever which now are or hereafter may be pending between me and any person or persons whatsoever in such matters in all respect as the said attorney



may think fit or to compound and accept part in lieu of and in satisfaction for the whole or to compromise any debt or sums or money now or hereinafter owing or payable to me/ us and any other claims or demand which in whatever capacity have against any person or persons upon such terms as the said attorney may deem proper.

- 12 To exercise all powers, rights, duties, functions, privileges, benefits and to do other acts of any nature whatsoever which I may be required to exercise or to do in respect of the said property or any part thereof herein mentioned or otherwise howsoever.
- 13 To commence and prosecute any action, suits or other proceedings at law against any person or persons in respect of any of the matters or things herein contained and to appear and defend action suits or other proceedings commenced against me or whereunto I may be a party and also if the said attorney may think fit or to compromise, refer to arbitration, submit to judgment, discontinue or become non-suited in any such action or proceedings as aforesaid.
- 14 To accept notices or services of Writ of Summons or other legal processes that may be served upon me and to appear and represent me in any court of justice and before magistrates of judicial or quasi judicial or other officers, whatsoever as the said attorney may think proper.
- 15 To declare and affirm all complaints, written statements, applications, petitions, affidavits and other necessary documents in my name and on my behalf and to appear before any Judge, Magistrate, proceedings or any other inquiry relating to any of the matters herein mentioned. To sign letter of authority of Vakalatnama and engage Advocates, Solicitors and pleaders to appear in Courts.
- 16 To get the documents executed by me or to be executed in respect of the said property adjudicated and/ or to pay the proper stamp duty on the documents already executed by me including penalty, if any.
- 17 If required sign all application form and documents and apply for and obtain certificate as required under section 230A of the Income Tax Act, 1961.
- 18 **AND GENERALLY to sign** all letters, correspondences, documents and to execute and perform any other acts deeds, matters or things whatsoever which ought to be executed or performed or which in the opinion of the said attorney ought to be done executed or performed.
- 19 AND I DO HEREBY DECLARE that the said attorney shall have full powers and absolute authority to act in the matter and property aforesaid as fully and effectually as I would have acted myself. And I do hereby declare that I will be bound by and responsible for all the actions of Shri/ Smt/Miss (Name of the constituted attorney) \_\_\_\_\_ under this Power of Attorney.
- 20 AND I DO HEREBY, AGREE AND UNDERTAKE to ratify the acts, deeds, matters and things done by the said attorney(s) under this Power of Attorney.

IN WITNESS WHEREOF I have subscribed my signature on this Power of

Attorney on the \_\_\_\_\_(date) of \_\_\_\_\_(month) \_\_\_\_\_(year) at  
\_\_\_\_\_(place)

SIGNED AND DELIVERED by the

Within named

"Donor/Executant" \_\_\_\_\_

\_\_\_\_\_ in the presence of

\_\_\_\_\_

\_\_\_\_\_

Before me

Identified by me

SIGNED AND DELIVERED by the within named

"Donee" \_\_\_\_\_ in the presence  
of \_\_\_\_\_ identified by me.

**Arrangement Letter - Home Loan**

STATE BANK OF INDIA

To

.....BRANCH

Shri/Smt./Kum.

.....

1).....

2).....

Date :

Dear Sir,

Personal Segment Advances :

**HOME LOAN : Rs.....lakhs**

With reference to your application for Home Loan dated .....,we hereby sanction you a Home Loan limit of Rs.....(Rupees.....only ) as per the undernoted break-up -

(i) Home Loan - Rs. \_\_\_\_\_

(ii) Funding of Home Loan Insurance Cover ((Optional) - Rs. \_\_\_\_\_

Total - Rs.

on the following terms and conditions. **Exercise of option provided in paragraph 11 is mandatory.**

## 2. Purpose

(i) The loan of is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land/purchase of consumer durables/furnishings (hereinafter referred to as the 'project') at the following address :

.....

(ii) Premium of Home Loan Insurance cover (Optional) - Rs. \_\_\_\_\_

3. Margin : % of the total cost of the project

4. Rate of Interest :

*Fixed Rate of Interest :-*

Interest on the loan will be charged at .....% p.a. on daily reducing balance at monthly rests, subject to **interest rate reset at the end of every two years** on the basis of fixed interest rates prevailing then. SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the

rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.

*Floating Rate of Interest :-*

Interest on the loan will be charged at .....% p.a. above Base Rate which is currently .....% p.a. (the current effective rate being .....% p.a.) with monthly rests.

The rate of interest is subject to revision from time to time due to (i) changes in Base Rate or (ii) revision even without change in Base Rate and you shall be deemed to have notice of changes in the rate of interest whenever the changes in Base Rate or increase in interest rates where there is no change in Base Rate are either displayed on the Notice Board of the Branch or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished to you and you are liable to pay such revised rate of interest. The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate. In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

**Concession for maintaining salary account\*** - Concession of \_\_\_% p.a. is included in the above mentioned interest rate on account of maintenance of your salary account with our Bank. This will be referred as Salary Account concession in this document.

**Customer's obligation for continuation of Salary Account concession** - In the circumstances like change of job etc., where in salary is not credited by your employer to your account maintained with us, you would be required to issue Standing Instructions to the salary account servicing bank to transfer entire salary credit to your account maintained with us for continuation of Salary Account concession mentioned above. For the limited purpose of continuation of concessions in interest rates, your account with us under this arrangement will be reckoned as *pseudo-salary account*

**Withdrawal of Salary Account Concession** - In the event of discontinuation of salary account/pseudo-salary account with us, the Bank shall have the right to withdraw the Salary Account concession mentioned above, and the interest rate shall be revised accordingly.

**\*(Strike Off, if not applicable)**

Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due

date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty, the rate of which shall be at the discretion of the Bank, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

5. Repayment :

The loan is to be repaid in Equated Monthly Installment of Rs \_\_\_\_\_

The repayment installment commences (a) 2 months after completion of construction of house/flat or after eighteen months from disbursement of first installment, where loan is released in installments, whichever is earlier or (b) from the next month after the date of full disbursement in respect of outright purchase of land/house/flat/extension, repairs or renovation of an existing house/flat \*. Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any. (\* delete which is inapplicable.)

**Pre-closure Charges**

*Loans on Fixed and Floating rate of interest :*

Pre-closure charge of 2% of the amount pre-paid in excess of normal EMI dues will be levied in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

6. Security :

The loan will be secured by :

- a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ for which the loan has been sanctioned, valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_ }S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.
- b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.
- c) Third Party Guarantee of .....
- d) .....

7. Utilisation of the loan :

The amount of the loan shall be utilized strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

8. Insurance :

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower. Cost of the same shall be borne by you.

9. Inspection :

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

10. Legal expenses etc. :

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premia, stamp duty, registration charges and other incidental expenses incurred in connection with the loan shall be borne by you.

11. Pre-EMI Interest :

<p>Option for a one-time option to capitalise pre-EMI interest*</p>	<p>The loan amount will be fixed suitably taking into account the approximate pre-EMI interest during the moratorium period, duly compounded at the applicable card rates (worked out on the presumption that the loan is disbursed in lump sum on the date of first disbursement). The computation of the total loan amount (i.e. actual loan plus pre-EMI interest) will be subject to fulfilment of income criteria eligibility and also subject to the extant instructions regarding Equated Monthly Instalment/Net Monthly Income. Please execute check-off authority with your employer/ tender post-dated cheques towards the EMIs of the loan amount . After completion of the moratorium period, you will have an option to request to reset EMI based on the actual outstandings in the loan account after final disbursement, subject to submission of revised check-off</p>
---	---

	authority or tendering post dated cheques towards the EMIs so arrived at
Option for servicing of pre-EMI interest*	Please tender post dated cheques drawn at monthly intervals for servicing of the amount of pre-EMI interest during the moratorium period

(\* score off whichever is not applicable)

12. Disbursement :

The loan will be disbursed only on the following conditions :

a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank.

- All the security documents prescribed have been executed by you/co-applicant (s)/ guarantor(s)

c) The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in instalments)

	Stage	Amount (Rs.)
i)		
ii)		
iii)		

- The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.

Yours faithfully,

Asst. General Manager/Chief Manager/Branch Manager

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter. I/we have opted for (i) \*servicing of Pre-EMI interest or (ii) \* capitalization of pre-EMI interest. I/We wish to avail\* / do not wish to avail\* loan for funding of premium of Home Loan insurance cover.

Borrower(s)

Date

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

Guarantor(s)

Date

(\*strike off whichever is not applicable).

The Branch Manager,  
State bank of India,  
\_\_\_\_\_ Branch,

Dear Sir,

**Affidavit of Declaration and Indemnity**

Please find enclosed an affidavit in respect of the Home Loan of Rs. \_\_\_\_\_/-  
availed by me/us.

Signature(s) of Borrower(s)

Place : \_\_\_\_\_

Date : \_\_\_\_\_



(To be stamped as an Affidavit & Indemnity as per applicable State Stamp Act)

**AFFIDAVIT**

- I/We, (1) (name and detailed address of the borrower)  
(2) (name and detailed address of the borrower)  
(3) (name and detailed address of the borrower)

the borrower(s) hereby make an oath and state as follows:

- I/We have availed Home Loan / finance of Rs. \_\_\_\_\_ from State Bank of India (herein after referred to as 'the Bank') for purchase/construction of house/tenement/flat which is more particularly described in Schedule I hereunder written (hereinafter referred to as the scheduled property), and hereby declare that I/we have not availed any other loan for acquiring the scheduled property.
- I/We declare that the scheduled property is not located in an unauthorized colony.
- I/We declare that the scheduled property is meant for residential use and that it will not be used for commercial purposes.
- Copy of the related construction plan sanctioned by the competent authority, namely \_\_\_\_\_ (name of the sanctioning authority) under reference No. \_\_\_\_\_ dated \_\_\_\_\_ is enclosed with this affidavit.
- (Retain one from A and B below depending on the purpose of Home Loan)

A. ( In case of Home Loan for building construction )

I/ We hereby undertake that I /We shall not violate the sanctioned construction plan and that the construction will be strictly as per the sanctioned plan (enclosed). It shall be my /our sole responsibility to obtain completion certificate from the competent authority within 3 months of completion of construction and produce the same for verification by the Bank, failing which

the Bank shall have the power and authority to recall the entire loan with interest, costs and other usual Bank charges.

or

**B. (In case of Home Loan for constructed property /built up property)**

I / We declare that the scheduled property has been constructed / built up as per the sanctioned plan and/or building bye-laws, and completion certificate under reference No. \_\_\_\_\_ dated \_\_\_\_\_ issued by \_\_\_\_\_, the competent authority is enclosed with this affidavit.

- I / We hereby undertake to allow an Architect/Engineer appointed by the Bank to inspect the construction at various stages including the completion stage to ascertain conformity of construction with the sanctioned plan and confirm issuance of Completion Certificate by the Competent Authority.
- I/We have full, absolute and unhindered right, title interest to and over the scheduled property and nobody else has any right, title or interest in the scheduled property.
- As a security for the advance/finance availed by me/us, I/We have delivered to the Bank the title deeds more particularly described in Schedule II hereunder written in respect of the scheduled property with an intention to create mortgage of the scheduled property on \_\_\_\_\_ (date). I/we hereby declare that the documents of title delivered by me/us to the Bank are original title deeds and there are no other documents of title as to date in my/our possession or at my/our command.
- That neither I/We nor any of my/our successors, administrators, assignee(s) and/or the legal heirs / representatives, nominees of the parties hereto do not have or shall not have any right to object to and/or challenge the charge created by me/us on \_\_\_\_\_ over the scheduled property in favour of the Bank.
- I/we hereby declare that there are no subsisting charges/encumbrances on the scheduled property and I/we have

not done any act which would affect our title to the scheduled property or the security created by me/us in favour of the Bank.

- I/we hereby declare that the scheduled property is not subject to any attachment orders on account of taxes, inter alia, including income tax/sales tax/property tax/service tax or any other levy, penalty of any nature whatsoever.
- That I/We declare that pursuant to the execution of the agreement of sale dated \_\_\_\_\_ in my/our favour, the sole and exclusive right, title and interest and the right to use and occupy the scheduled property stands vested in me/us and I/We hereby indemnify the Bank against any doubt and/or encumbrance in respect of my/our title over the said scheduled property and shall keep indemnified the Bank and/or anybody claiming through it against any claims, demands, actions, proceedings, losses, damages, recoveries, judgements, charges, lien, encumbrance (by way of sale, exchange, mortgage, gift, trust, possession, easement, lease, lien or lis-pendence or attachment either before or after judgement or other encumbrances etc.) that may or may not be reflected in the records of the competent Sub-Registrar of Assurances and expenses, and third party claims/proceedings, Notices, Injunctions from any Courts of Law restraining the Bank from enjoying the quiet, vacant and peaceful possession of the said scheduled property and keep the Bank indemnified against any act, deed by person(s) whomsoever by which the Bank may incur damages or suffer on account of any claim being made and established by any person or persons found interested in the said scheduled property hereunder written or any part thereof including proportionate / or partial interest in the said scheduled property.
- I/We undertake to deposit and keep deposited with the Bank such sum of money as payable towards the loan instalments or approved securities including the Membership / Share Certificate when issued and any other title deeds of the said scheduled property which may come in my/our possession, (including the title deeds detailed in

Schedule-II hereunder written) with the Bank for due fulfilment and discharge of my/our obligations towards the Bank in respect of or in connection with finance availed by me/us.

- I/We authorize the Bank to take such steps to secure its dues which remain payable and outstanding from the me/us in the event of default, at any time and from time to time as it may deem necessary in its discretion including to protect/or to dispose off and sell the said scheduled property.
- I/We hereby undertake not to hold the Bank responsible or liable for any loss or damage which I/We may suffer as a result of any act of omission and/or commission amounting to negligence or default on the part of the said Builder/Society or the previous owner of the said scheduled property.
- I/we are aware that the Bank has believed on the declarations made by us in this affidavit and on the basis of the declarations made by me/us, has agreed to grant finance for acquisition of the scheduled property. I/we am/are aware that appropriate civil/criminal proceedings can be initiated against me/us if it turns out that the declarations/representations made by me/us hereinabove turn out to be incorrect, false or misleading.

### *SCHEDULE I*

[See Para (a)]

(Detailed description of the property for which loan is granted)

**SCHEDULE II**

[See Para ( h )]

(Description of Title Deeds)

- II. ....
- III. ....
- IV. ....

Place:	Signature
Date:	(1)
	(2)
	(3)

**VERIFICATION**

- I/we, (1) (name and detailed address of the borrower)
- (2) (name and detailed address of the borrower)
- (3) (name and detailed address of the borrower)

the borrower(s) solemnly verify that the contents of the above paragraphs are true to my/our knowledge.

Signed and verified at \_\_\_\_\_ (place) on \_\_\_\_\_ day of \_\_\_\_\_.

Place:	Signature
Date:	(1)
	(2)
	(3)

**PRE-SANCTION INSPECTION SHEET (Old)**

Sl. No	Particulars	Observations of Asst. Manager (Adv.)
1.	Name of the applicant	
2.	Home Loan amount	Rs.
3.	<b>Visit to Residence of the applicant</b>	
a.	Proof of identification and whether property identified?	
b.	Proof of residence and whether it tallies with the actual residential address?	
c.	Residential telephone number	
d.	Mobile Number, if any	
e.	Educational Qualifications	
f.	Designation, name of the company, experience ( for salaried applicants)	
g.	Name of the unit, constitution, line of activity, date of setting up of business (for self employed/businessmen/industrialists)	
h.	Name of the firm(if any), line of activity, date of establishment (for professionals)	
i.	Current residence	Owned/company provided/rented If rented, monthly rentals : Rs.
J	Credit card details, if any	Name of the card issuer Credit card number
k.	Educational qualifications of spouse	
L	Education qualifications of major children who stay with the applicant	
M	Employment details of spouse, if employed i.e. designation, organization, experience and salary drawn (approx.)	
O	Employment details of children, if employed i.e. designation, organization, experience and salary drawn (approx.) and whether they stay with the borrower	
P	Number of school going children	
Q	Number of dependant relatives staying with the applicant	
R	Whether he owns a car and/or two-wheeler in his/spouse's name. If so,	

		model and regn. number of the car and name of the financiers, if any	
	S	Feedback based on discreet enquiries about credentials/ antecedents of the applicant made with the neighbour (s) and his/her name	
	T	Feedback from the applicant's bankers*(if deemed necessary)	
4.		<b>Visit to the residence of guarantor</b>	Date of visit : Information as per 3 (g) to (h) should be gathered
5		<b>Visit to the office/work place of the borrower</b>	Date of visit :
	a.	<u>For salaried applicants</u> Name of the organization, its constitution, how long the applicant employed in the organization, contact number and the present assignment	
	b.	Feedback from the salary disbursing authority/head of institution on the antecedents/credentials of the applicant and name of the authority	
	c.	Feedback from a few colleagues(where deemed necessary)	
	d.	<u>For professionals/Self employed/businessmen/industrialists</u> Name of the firm(if any), constitution, line of activity, address, phone number	
	e.	Pattern of ownership and share (to be verified with the records)	
	f.	Whether the premises are owned or rented.	
	f.	Feedback on antecedents and credentials	
		From a few firms in the neighbourhood and their name(s)	
		From another firm engaged in the same line of activity at the centre and their name(s)	
		From the Industry Bodies, if deemed necessary and name/designation of the person contacted	
		From their present bankers (to be cross checked with the opinion report furnished by them)	
6.		<b>Builder, if any</b>	
	a.	Feedback on the credentials/antecedents of the Builder from a few reputed builders in the area	

		and name/ designation of the person contacted	
	B	From the Industry Body and name/ designation of the person contacted	
	C	From the office bearers of the Society/ Apartment Owners Association and name/ designation of the person contacted	
	c.	From a few resident(s) of existing projects promoted by the Builder regarding quality of construction, timely completion and conveyance of ownership title, information on litigation/ disputes	
6		<b>Visit to the property</b> (should be made independently and with a surprise element)	
	a.	Whether the property could be located based on the title documents	
	B	Land marks for identification of the property	
	c.	Comments on accessibility /approachability	All modes of transport/ Car/ two-wheeler only/ narrow walking path/no access
	d.	Comments on the locality	Posh/ upper middle class/ middle class/ lower middle class/ slum area
	e.	Comments on the area	Residential/ commercial/ industrial / underdeveloped/ trouble prone
	f.	Feedback from the neighbours about the ownership of property, information on any disputes/ pending litigation on the property and name of the person contacted	
	g.	Condition of the house i.e. whether it is kept in good and tenantable condition	
	h.	a) Whether the property is rented out b) if so, for how long it is rented out, c) name of the tenant d) and monthly rentals	

Place:  
Date :

(Signature)  
Asst. Manager/ Dy. Manager (Adv.)



**PRE-SANCTION INSPECTION SHEET (Revised)**

SI. NO.	Particulars	Observations of Asst. Manager/ Deputy Manager (Adv.)
1.	Name of the applicant	
2.	Home Loan amount	
3.	Name of the Builder (In case of Home loan for purchase of new flat/ flat under construction)	
4.	Is the Builder on the Bank's approved panel?	Yes/No
		If Yes Reference No. / Particulars of empanelment :
Following portion (5 a to d) to be completed only in those cases where the builder is not on the Bank's approved panel.		
5.	<b>Feedback on the credentials/ antecedents of the Builder</b>	
	a.	From a few reputed builders in the area and name/ designation of the person contacted
	b	From the Industry body and name/ designation of the person contacted
	c	From the officer bearer of the Society/ Apartment Owners Association and name/ designation of the person contacted.
	d.	From a few resident(s) of existing projects promoted by the Builder regarding quality of construction, timely completion and conveyance of ownership title, information on litigation/ disputes.
6.	<b>Visit to the property</b> (should be made independently and with a surprise element)	
	a	Whether the property could be located based on the title documents
	b	Land marks for identification of the property

	c	Comments on accessibility / approachability	All modes of transport/car/ two-wheeler only/ narrow walking path/ no access
	d.	Comments on the locality	Posh/ upper middle class/ middle class/ lower middle class/ slum area
	e.	Comments on the area	Residential/ commercial/ industrial/ underdeveloped/ trouble prone
	f.	Feedback from the neighbours about the ownership of property, information on any disputes/ pending litigation on the property and name of the person contacted.	
	g	Condition of the house i.e. whether it is kept in good and tenantable condition.	
	h	a) whether the property is rented out. b) if so, for how long it is rented out, c) name of the tenant. d) and monthly rentals.	

(Signature)  
Asst. Manager/Dy. Manager(Adv)

Place:  
Date:



STATE BANK OF INDIA  
BRANCH:

Telephone No.:

Fax No. :

E mail ID :

No.

Date :

Mr./Mrs./Ms \_\_\_\_\_

\_\_\_\_\_ Pin Code No.

Phone No / Mobile No.

E mail ID

Dear Sir/ Madam,

**'SBI-HOME LOAN' -IN PRINCIPLE APPROVAL**

We thank you for your enquiry visit to \_\_\_\_\_ (name of the property fair/promotional campaign) to avail a Home Loan. We are in principle, agreeable to grant a Home Loan as under, subject to your fulfilling eligibility and other norms governing 'SBI Home Loans'.

Loan sought: Rs. \_\_\_\_\_ (Rupees.....only)  
(eligible loan amount will be arrived after detailed assessment after submission of the required documents)

Repayment period :.....years

Processing fee : Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ )

**Rate of Interest\***

Floating Rate	.....% below our card rate for floating rate loans applicable on the date of sanction of loan (effective rate as on date .....%)
Fixed Rate **	.....% below our card rate for fixed rate loans applicable on the date of sanction of loan (effective rate as on date .....%)

(\*The rates quoted above will be valid only if the loan is sanctioned and at least a partial disbursement of the loan is made within a period of 30 days from the date of issue of this “ In Principle” approval)

**(\*\* Fixed interest rate will be subject to ‘force majeure’ clause authorizing the Bank to change the rates in case of major volatility in interest rates at the sole discretion of the Bank and also subject to interest rate reset at the end of every\_\_\_\_\_ years on the basis of fixed interest rates prevailing then.)**

**Special conditions:**

The sanction of the loan will be subject to:

1. verification of original documents in respect of proof of identity /residence/income and property
2. legal and technical clearance and the rules of the Bank governing Home Loans , as applicable from time to time
3. Creation of valid equitable mortgage over the land /house/flat

If the offer is acceptable to you, please sign and return copy of this letter as a token of your acceptance. Kindly contact our Branch/Marketing Executives of our Home Loan Sales Team (HLST) at the earliest (contact details overleaf) in order to complete the required formalities including pre-sanction inspection. This letter along with documents as per checklist given overleaf should be submitted to the Branch/HLST for processing the loan application.

Yours faithfully,

Terms and conditions accepted. I declare that my Net Monthly Income/Net Annual Income is Rs.

Branch/Chief/ Asst.General Manager

Applicant(s)

.....  
.....  
(Name & Address of the Financial Agency)

Dear Sir,

HOME LOAN ACCOUNT NO. ....  
IN THE NAME OF SHRI .....

**This has reference to the loan of Rs..... (Rupees ..... ) availed of by me/us for construction/purchase/ extension/renovation/repairs (delete whichever is not applicable) on property situated at ..... Please confirm the total outstanding amount due and payable by me/us to you in the above account as on ..... (prospective month & date).**

Your dues under the above loan would be repaid by the State Bank of India, .....branch and upon payment of which, I/we authorise you to deliver all the title deeds deposited with you by way of mortgage by deposit of the title deeds as specifically stated in Schedule 'A' hereunder together with all other securities furnished by me/us which are specifically stated in Schedule 'B' hereunder (delete if not applicable) to you at the time of availing the captioned loan, to the authorised representative of State Bank of India, ..... branch. You are requested to hand over any other documents/title deeds held by you on my/our behalf to the said representative of State Bank of India.

I/We also authorise you to disclose information with regard to the above loan to State Bank of India, as may be desired by them. A statement of the loan account may also be furnished to them.

Please note that on receipt of such payment, all charges including the mortgage created in your favour would be deemed to have been redeemed and/or discharged.

Thanking you,

Yours faithfully,

(..... )

Schedule - 'A'

Schedule - 'B'

.....  
.....

(Name and address of the Bank/SBI)

No.

Dated .....

Dear Sir,

Sub : ..... (Details particulars should be given)

I/We am/are enclosing the copies of the letters addressed to ..... (financial agency) & the confirmation letter dated ..... received from them.

I/We request you to repay my/our outstanding dues for an amount of Rs..... (Rupees .....) due and payable by me/us to the .....(FA) as on ..... by disbursing from the loan amount sanctioned to me/us for the above Home Loan account. I/We authorise you and your representative to obtain delivery of all the title deeds and other security documents (if not applicable please delete) from the ..... (financial agency) as stated in the letter dated .....written to ..... (financial agency).

Yours faithfully,

Address :

Encl. : As stated

II

III -----

.....  
.....

(Name and address of the F.A.)

No.

Dated.....

HOUSING FINANCE  
MR./MRS./MS./ .....  
HOME LOAN ACCOUNT NO.....  
WITH YOUR INSTITUTION  
-----

We forward herewith a copy of letter dated ..... addressed to you by Mr./Mrs./Ms..... advising you to deliver the title deeds of the property mortgaged to you and detailed therein, together with all other securities as stated therein, in connection with the captioned loan account, to State Bank of India ..... branch, upon receipt of the outstanding dues on the captioned account.

- a) Enclosed is our Bankers cheque for Rs..... drawn in your favour being the outstanding dues of your Institution as on ..... in respect of the captioned loan account in full and final satisfaction thereof.
- b) Please note that this amount of Rs..... is to be specifically appropriated towards liquidation of dues in the captioned Home Loan account of Mr./Mrs./Ms..... It should not be appropriated by you towards or set off against any other debt or liability due or owing to you by Mr./Mrs./Ms..... (name of the borrower).
- c) It may also please be noted that our Bank has right to call back the amount if you fail to deliver the original title deeds and the securities as stated above to Shri ..... an official in SBI .....Branch, who has been authorised to receive the said documents/title deeds/securities.
- d) Signature of Shri ..... hereunder is attested.

Yours faithfully,  
Signature of Shri.....

.....  
(attested by Branch Manager)

Encl. - 1. Letter Copy  
2. Bankers Cheque.

**FREE PERSONAL ACCIDENT INSURANCE COVER - SALIENT FEATURES**

**i) OBJECTIVE**

To provide Personal Accident Insurance Protection to all our Home and Car Loan borrowers.

**ii) PERIOD OF COVER**

The insurance cover is valid for a period of one year subject to renewal thereof.

**Iii) SCOPE OF COVER**

The insurance shall cover the death (only) of the borrower due to accident/ result of any accident anywhere in the world, during the period of insurance in force subject to terms and conditions mentioned hereunder. The Insurance Company shall pay to the Bank (for credit to the account of the person insured) the sum insured if any of the insured persons shall sustain any bodily injury resulting solely directly from accident caused by external, violent and visible means and if such injury shall within twelve calendar months of its occurrence by the sole and direct cause of the death of the insured person, subject to the exclusions mentioned hereunder.

**EXCLUSIONS**

The Insurance Company will not be liable under this Policy for:

1. Payment of compensation in respect of death,
  - i) from intentional self-injury, suicide or attempted suicide,
  - ii) whilst under the influence of intoxicating liquor or drugs
  - iii) whilst engaging in aviation or ballooning whilst mounting into, dismounting from or traveling in any balloon or aircraft other than as a passenger (fare paying or otherwise) in any duly licensed standard type of aircraft anywhere in the world. (Standard type of aircraft means any aircraft duly licensed to carry passengers (for hire or otherwise) by appropriate authority irrespective of whether such an aircraft is privately owned OR chartered OR operated by a regular airline OR whether such an aircraft has single engine or multi engine.
  - iv) directly or indirectly caused by venereal diseases, aids or insanity.
  - v) arising or resulting from the insured person committing any breach of law with criminal intent,
  
2. Payment of compensation in respect of death of the insured person due to or arising out of or directly or indirectly connected with or traceable to: war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped



power seizure, capture, arrests, restraints and detentions of all kings, princes and people of whatsoever nation condition or quality.

3. Payment of compensation in respect of death due to:

(a) directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. For the purpose of this exception, combustion shall include any self-sustaining process of nuclear fission.

48. directly or indirectly caused by or contributed to by or arising from nuclear weapons material.

4. **Pregnancy Exclusion Clause:** The insurance shall not extend to cover death or disablement resulting directly or indirectly caused by contributed to or aggravated or prolonged by child birth or from pregnancy or in consequence thereof.

#### **A. SUM INSURED UNDER THE POLICY FOR EACH BORROWER**

Sum insured under the policy for each borrower shall be the **total outstanding principal loan amount including the interest thereof as on the date of accident or Rs.40 lacs whichever is less.** Hereinafter the term sum insured shall denote the total outstanding loan amount including interest thereof as on date of accident.

The sum insured under the policy being total outstanding principal loan amount including the interest thereof (subject to maximum of Rs.40 lacs) of the loan accounts(s) of the loanee, it is hereby agreed that in the case of loans being under joint names with two persons, such as husband and wife, for each of the borrower, the sum insured shall be 50% for husband and 50% for wife, of the total outstanding loan amount with the interests thereof, with both persons covered. Similarly in case of loans with more than two persons as joint borrowers, the sum insured of the total outstanding loan amount with interest thereof will be divided amongst all of them in equal proportion. The liability of the Insurance Company shall be limited to the equal proportion of the sum insured of the deceased borrower, subject to the following:

ii. Where the total outstanding loan amount for a joint account with two persons is say Rs.60 lacs as on date of death of one of the loanees, the maximum liability for this account shall be Rs.40 lacs, and in case of death of one of the loanees, the insurance company's liability shall be 50% of Rs.40 lacs, i.e. Rs.20 lacs.

iii. The Insurance Company's liability shall be restricted to the extent of outstanding loan amount with interest thereof, as on the date of accident, subject to maximum of initial loan amount sanctioned.

iv. If any defaulted payment of monthly installment by the loanee, while he is alive, adds up into the outstanding loan, the claim shall be reduced to the extent of such defaulted amount.

v. The maximum liability under the policy shall be Rs.40 lacs per account, irrespective of the outstanding loan amount, subject to other terms and conditions of the existing policy.

#### **B. NOMINEE UNDER THE POLICY**

The Bank shall be the nominee to receive the claims under the policy.

#### **C. PROCEDURE FOR CLAIMS**

All the claim correspondence will be only with the Insured Bank's branches where the insured person was having his/her loan account.

On occurrence of a contingency, the Insurance Company shall be intimated immediately, on receipt of information of the insured person. **The following documents are required to be submitted by the branch direct to the NIAC, Mumbai, within sixty days** for further processing of claim:

- (b) Claim form as per format enclosed in *Annexure / HL-Ins.-3* to be filled in by the Branch and legal heir(s) of the deceased.
- (c) Death Certificate from the Competent Authority.
- (d) Post Mortem Report.
- (e) Other supporting papers such as Police Report (FIR)/ Panchanama/ Inquest Report.
- (f) News paper cutting, if any  
(The above documents should be legible. In the absence of a legible copy or if the documents are in vernacular / regional language, the same may be translated in English/Hindi by a competent person (Notary, Advocate)
- (g) Certificate from the Bank Branch, to the extent that the person was holding Home/ Car Loan Account, in the prescribed format enclosed (*Annexure / HL-Ins.-4*)
- (h) Certificate of Insurance duly signed by all the account holders
- (i) Statement of loan account from the date of disbursement of loan, showing the loan amount sanctioned, monthly transactions and outstanding as on the date of accident and the amount of installments defaulted, if any.

For the purpose of the claim, copies of the documents stated above may be submitted certified by an officer of the branch where the deceased person was maintaining his loan account.

#### **D Service Level Agreement**

The Insurance Company shall, on receipt of complete set of claim documents, as specified above, process the claim. Any requirements/ deficiency in the documents submitted shall be sought within 10 days of receipt of the claim. All the documents being in order, the Insurance Company will settle the claim within 15 days from the date of receipt. In case of unexplained delay of beyond

30 days, the Insurance Company shall pay interest @2% above prevailing Bank Rate, at the inception of the policy or date of settlement whichever is lower, as per the IRDA regulations.

**The Insurance Company shall provide the Certificate of Insurance to all the insured persons giving the details of the cover and basic terms, conditions and exclusions of the policy through the Bank branches. The pre-singed certificates will be valid after the same is counter-signed by an officer of the Bank branch. Our branches should ensure that the above Certificate of Insurance is issued to the borrower along with the loan sanction letter**

**1. CONDITIONS**

i) Upon the happening of any event which may give rise to a claim under this Policy, written notice with all particulars must be given to the Insurance Company immediately. In case of death, written notice also for the death must, unless reasonable cause is shown, be so given before internment cremation, and in any case, **within sixty days after the death.**

ii) Proof satisfactory to the Company shall be furnished of all matters upon which a claim is based. In the event of death, to make a postmortem examination of the body of the insured person.

iii) No sum payable under this policy shall carry interest.

iv) The Company shall not be liable to make any payment under this policy in respect of any claim, if such claim be in any manner fraudulent or supported by any fraudulent statement or device, whether by the insured or by any person on behalf of the Insured.

ADDRESS FOR LODGING CLAIMS TO AND CORRESPONDING WITH THE INSURANCE COMPANY.

<p><b>THE NEW INDIA ASSURANCE COMPANY LTD.</b> <b>Divisional Office 120700</b> <b>8<sup>th</sup> Floor, 17/A, Cooperage Road,</b> <b>Mumbai 400 039</b> TEL- (022) 2204 9648, 2281 4663 Fax- (022) 22881350</p>
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To

Chief General Manager (PB)  
State Bank of India,  
Home Loans Deptt.,  
Corporate Centre, Mumbai.

Statement of Home and Car Loans  
(For Personal Accident Insurance purpose)

Circle : \_\_\_\_\_

Total Outstandings in Home and Car loans as on:

(Rs. in cr.)

Segment	No. of Accounts	Amount Outstanding
Home Loans		
Car Loans		

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date:



**THE NEW INDIA ASSURANCE COMPANY LTD.**  
New India Centre, Divisional Office 120700, 8<sup>th</sup> Floor, 17/A, Cooperage Road,  
Mumbai-400 039  
TEL- (022) 2204 96 48, 2281 46 63 FAX- 2288 13 50

**CLAIM FORM**

The Issue of this form is not to be taken as an admission of liability.

\_\_\_\_\_  
TO BE COMPLETED BY THE LEGAL HEIR / NEXT KIN  
\_\_\_\_\_

1. (a) Name of the Bank Branch (in full) -

\_\_\_\_\_

➤ Name of the Insured person (loanee)

\_\_\_\_\_

(c) Address in full

\_\_\_\_\_

ii. Profession or occupation \_\_\_\_\_

iii. Age, Last Birthday \_\_\_\_\_

\_\_\_\_\_

2. (a) Date of the accident  
(b) Time of the accident  
(c) Where it happened?  
(d) Name and address of the witness

\_\_\_\_\_

3. How did the accident occur?

\_\_\_\_\_

\_\_\_\_\_

4. (a) Is the Insured person covered under any other Personal Accident Insurance Policy
- (b) If so state name and address of the Company or Companies and amount of insurance.
- 

The foregoing details are true to the best of my / our knowledge and belief.

SIGNATURE

WITNESS:

CERTIFICATE TO BE FILLED UP AND SIGNED BY AN EYE WITNESS TO THE ACCIDENT ( wherever applicable )

I hereby certify that I was present when the Accident occurred to Mr. \_\_\_\_\_ on the \_\_\_\_day of \_\_\_\_\_20\_\_ in the manner stated by him overleaf ,that it was caused by \_\_\_\_\_ which \* was / was not his willful act and that he \* was / was not under the influence of intoxicating liquor at the time.

Name : \_\_\_\_\_

Signature : \_\_\_\_\_

Address : \_\_\_\_\_

Occupation : \_\_\_\_\_

Date : \_\_\_\_\_

\* Strike Out, which is not applicable

**AUTHORISED SIGNATORY**

**STATE BANK OF INDIA**

NAME OF THE SIGNATORY:

BRANCH:

PLACE

DATE

Complete Postal address  
of the Bank Branch to which :  
correspondence can be  
exchanged by the Insurance Company

**CERTIFICATE OF THE BANK**

This is to certify that Mr. / Mrs. \_\_\_\_\_ who has expired due to accident on \_\_\_\_\_ ( as per the documents enclosed ), is a holder of Home / Car Loan Account No. \_\_\_\_\_ .

The Home Loan / Car Loan Account was held by the aforesaid person

In his Single Name : \_\_\_\_\_ ( please mention Yes or NO )

Joint names : \_\_\_\_\_ ( please mention Yes or NO )

If in joint names,

Names of the Joint holders: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The original Loan amount of Rs. \_\_\_\_\_ was disbursed on \_\_\_\_\_ .

The total outstanding Principle Loan Amount including interest thereof is Rs. \_\_\_\_\_ as on date of death of the above account holder.

**STATE BANK OF INDIA**

BRANCH:

PLACE

DATE

**AUTHORISED SIGNATORY**  
( NAME: \_\_\_\_\_ )

ARRANGEMENT WITH  
ARMY WELFARE HOUSING ORGANISATION (AWHO)  
AIRFORCE AND NAVAL HOUSING BOARD (ANHB)

AWHO is engaged in the activity of construction of houses for serving/ retired members of Army all over the country. AWHO buys land with its own funds from both government and private parties for construction activities. Only in exceptional cases, it seeks finances from Army Group Insurance Fund. The allotment is done on first-come-first-served basis. The payments are made by the allottees as per a drawn up schedule. AWHO has so far constructed and delivered about 15000 units and on an average, they construct 750 units per annum. Similarly, ANHB are also engaged in construction of houses/flats for serving/retired members of Indian Air Force and Indian Navy.

- a) In view of the substantial business likely to accrue from these organisations, the following concessions are granted to Army/Air Force/Navy personnel purchasing a flat/house from AWHO/ANHB, where check-off facility is available.
- b) A concession of 50 basis points in rate of interest on Home Loans for 10 years and above. The concession will be offered only in respect of loans availed on *floating rate basis*. No concession would, therefore, be granted in rate of interest in the following cases:
  - i) Loans availed on floating rate basis for tenures of less than 10 years.
  - ii) All loans availed on fixed rate basis.
- c) Waiver of processing fee, irrespective of the amount of the loan.
- d) Non-encumbrance Certificate issued by AWHO/ANHB would be accepted in lieu of one from Bank's lawyer. Therefore, no search report will be required from Bank's advocate.
- e) Permission to mortgage would also be given by AWHO/ANHB.
- f) Obtention of Architect's certificates regarding present stage of construction is not required. A demand notice from AWHO/ANHB as per the drawn-up schedule would be sufficient for release of instalments of the loan.
- g) Free Personal Accident Insurance cover would be provided to the borrowers for the outstanding amount of the loan.
- h) Borrowers would have the option to join a group insurance scheme with SBI Life whereby Life Insurance upto the loan outstanding would be available to them at a very concessional rate of premium. The scheme envisages a onetime front-end premium. If the borrower desires, the premium amount can also be treated as part of the cost of the project and financed accordingly. This would be over and above the 60 NMI/48 NMI eligibility for loan amount.



- i) Under the above tie-up scheme, customers have the option to avail the facility from a branch, identified by the Circle for this purpose. The Circle should identify one or two suitable branches within the Circle to handle these loans.
- j) A tripartite agreement has to be signed by the borrower, AWHO or ANHB and the Bank (vide Annexure /HL. Defence-1) which is required to be entered into for all Home Loans sanctioned under the scheme. . As per the agreement, AWHO/ANHB would stand surety to the loan till delivery of possession to the allottee by AWHO/ANHB. Further, AWHO/ANHB will also undertake not to give NOC to any allottee for permission to dispose of the property or to transfer ownership without obtaining a “No Objection Certificate” from the Bank.
- k) A Non-encumbrance Certificate has to be obtained from AWHO/ANHB (vide Annexure/HL. Defence-2). The original letter of allotment should be retained by the branch with the documents and should not be delivered to borrower till liquidation of the loan.
- l) All other terms and conditions of Home Loan Scheme would be applicable to above tie-up loans also.

## DRAFT TRIPARTITE AGREEMENT

This agreement made the ... day of ....., Two thousand ..... between (1) Shri.....S/o Shri.....and Smt.....aged.....years respectively both residing at.....(hereinafter called "BORROWER" his/her heirs, executors administrator and legal representative) of the First Part, (2) Army Welfare Housing Organisation registered under the societies Registration Act XXI of 1860 having its registered office presently at south Hutments, Kashmir House, Rajaji Marg, New Delhi - 110 011 (hereinafter called 'The AWHO' through its Secretary or any other officer authorized by him/her in this behalf which expression shall unless repugnant to the subject or context or mean thereof be deemed to include its successors and assigns) of the SECOND, and (3) State Bank of India, Nariman Point, Mumbai, having its Corporate Centre at Mumbai (hereafter called ' The Bank' which expression shall unless repugnant to the subject or context or meaning thereof be deemed to include its successors and assigns) of the Third Part.

Whereas the Borrower desires to purchase a flat the AWHO under the provisions of its Self-Financing Scheme (hereinafter referred to 'as the Scheme'), (a copy of the letter of allocation issued to the Borrowers by the AWHO along with the terms and conditions of allotment issued to the Borrowers by the AWHO along with the terms and conditions of allotment is annexed to their agreements) which envisages allotment to applicants of such flats constructed under the Scheme (hereinafter referee to as the flat) and payment by the applicants of the cost of construction and proportionate cost of land thereof to the AWHO in instalments/lump sum in the manner provided under the terms of allotment.

And whereas the Borrower has under the provision of the Home Loan Scheme framed by the Bank has applied to the Bank for a loan of Rs. .... For the purchase of a flat under the Scheme and the Bank has agreed to sanction a loan of Rs.....to Borrower (hereinafter referred to as the Home Loans for purchase of flat) subject to the usual terms and conditions applicable to the same scheme such as mortgage of the flat, rate of interest of loan repayment term, payment of additional interest in case of default, assignment of .....of the Bank as security etc.

And whereas the Borrower has already deposited with the AWHO a sum of Rs. .... (Rupees.....) as part payment toward the purchase of a flat under the Scheme.

NOW IT IS HEREBY AGREED AS FOLLOWS :

1. On receipt of intimation from AWHO that a flat shall be allotted to the Borrower, the Bank will sanction the Home Loan for purchase of flat to the Borrower according to its rules, but the actual payment in instalment/lumpsum will be made by the Bank directly to the AWHO within the time specified in the allotment letter and as and when required by AWHO. Before the disbursement of loan, any amount towards purchase price in excess of the Home Loan for purchase of flat sanctioned by the Bank will be paid by the Borrower directly to the AWHO from the date of demand of such amount within the time specified by the AWHO. If there is any delay on the part of the Bank or the Borrower, the Borrower shall be liable to pay to the AWHO penalty/interest on such delayed payment, if any, according to the rules of the AWHO.
2. The AWHO shall maintain a proper account for the Borrower only when the loan instalments are disbursed by the Bank directly to AWHO under covering letters of the Bank and adjust the amount advanced by the Bank against the cost of the flat of the particular category for the allotment to the Borrower.
3. On completion of the flat and after receipt of full payment and completion of requisite formalities including the submission of documents etc., the possession of the flat shall be handed over to the Borrower on Lease Hold basis. However, the sub Lease/Conveyance deed in favour of the Borrower by AWHO shall be executed within a reasonable time say within a year or so and after completion of all requisite formalities by the Borrower/Allottee.
4. The flat shall form part of the security for Home Loan for the purchase of the flat granted by the Bank and as soon as Sub Lease/Conveyance Deed is executed by the AWHO, the Borrower shall mortgage the flat immediately to the Bank for Home Loan for the purchase of flat. The Borrower shall also furnish all the necessary documents for registration of Sub Lease/ Conveyance Deed.
5. If the Borrower desires to withdraw from the scheme or if he fails to pay the balance amount representing the Bank agreeing to the part of the loan before Borrower's paying his full share to the AWHO as per clause 1 of the difference between the loan sanctioned by the Bank and the total cost of the flat by AWHO or in case of the agreement, the entire amount advanced by the Bank will be refunded by AWHO to the Bank. The AWHO will be responsible to refund the loan amount to the extent of the loan amount disbursed under intimation to AWHO in accordance with Clauses 1 & 2 above. The AWHO will refund to the Borrower the initial deposit by the Borrower after deducting there from such amount as may be recoverable from the Borrower in accordance with provisions applicable to the Scheme.
6. In the event of cancellation of allotment of flat/dwelling unit by the AWHO, AWHO shall refund to the Bank the entire amount received from it in accordance with Clauses 1 and 2 above.
7. The Borrower shall pay in advance to the AWHO a sum of Rs..... (Rupees.....) being yearly rent for .....years before executing the mortgage deed in favour of the Bank.
8. The AWHO has given its consent that the Bank shall have a lien on the flat in terms of mortgage permission granted by the principle Leaser/land Allotting Authority, or as the case may be and that the Borrower may furnish the flat as security for the loan to be obtained from the Bank and create mortgage in favour of the Bank.

9. It is agreed that AWHO reserves to itself any right of re-entry, such right shall not be enforced unless Notice in writing of not less than six months is served on the Bank setting out the precise breach for which the right is purported to be exercised and an opportunity is given to the Bank to rectify or to get rectified the breach. No right of reentry shall be exercised if within the aforesaid period of six months the Bank or the Borrower has rectified the breach to the satisfaction of the AWHO to enforce re-entry is continued even after the expiry of six months, the Bank shall be entitled to enforce forthwith its lien to the flat/dwelling unit and recover its dues out of the sale proceed thereof and thereafter AWHO shall be entitled to deal with the balance of the sale proceeds in accordance with the provisions of the scheme.
10. If agreed and understood in an eventuality of the allottee/loanee causing any breach and loaning agency (either party) initiating any legal action to recover, the outstanding amounts/dues including the principle element, interest and other administrative and legal expenses, shall be due to loanee and not to AWHO.

In witness whereof the parties above named have hereinto set their hands on the dates specified hereinafter in each case.

(Signature of the Borrower/ Allottee)

Witness:

11. a. Name, address & occupation
- b. Name, address & occupation

(Signature of the AWHO)

Witness:

12. a. Name, address & occupation
- b. Name, address & occupation

(Signature on behalf of State Bank of India)

Witness:

13. a. Name, address & occupation
- b. Name, address & occupation

#### SCHEDULE OF PROPERTY

Flat No.....Category.....Name of colony & Block.....AWHO allotment letter No.....dated.....loan sanctioned.....Period of loan.....

ARMY WELFARE HOUSING ORGANISATION

South Hutments  
Kashmir House, Rajaji Marg,  
New Delhi - 110 011.  
Date

TO WHOM IT MAY CONCERN

1. In connection with Economy Apartment allotted to No. \_\_\_\_\_ Bank Name \_\_\_\_\_ at our \_\_\_\_\_ project vide AWHO membership No. \_\_\_\_\_ it is certified that Sale Deed/Lease Deed between the AWHO and \_\_\_\_\_ has been finalized, Conveyance Deed when executed with the allottee within the rules laid down AWHO will have no objection for the allottee to mortgage the above flat/property to State Bank of India.
2. It is certified that AWHO is controlled by the Board of Management headed by Adjutant General as ex-officio Chairman. All other members of the board are serving senior officers of the Army, the Managing Director of AWHO and civilian officers of Ministry of Defence (Finance).
3. It is certified that the land is totally unencumbered at present and in future no action will be taken by (AWHO) which will make it encumbered.
4. It is further mentioned that the Army Welfare Housing Organisation is registered as a society under the Societies Registration Act XXI of 1860 under certificate issued by the Registration of societies, Delhi with Certificate No. 9/9142 dated 20.3.78.

(Authorised Signatory)

SET OF DOCUMENTS TO BE OBTAINED IN CASE OF  
SECOND MORTGAGE / PARI-PASSU CHARGE

V. List of Documents

Annexure/Hsg. PP Charge	Particulars
1	Letter from the borrower (prospective mortgagee) to the Bank
2	Letter to be addressed by the prospective mortgagee to the prior mortgagee
3	Memorandum of deposit of title deeds to be recorded in the books of prior mortgagee for extending the earlier mortgage to secure Bank's Loan
4	Letter to be addressed by the prior mortgagee to the subsequent mortgagee
5	Pari Passu letter to be exchanged
6	Inter-se Pari Passu agreement
7	Letter from first chargeholder addressed to second chargeholder
8	Letter to be issued by Bank for having second charge on the fixed assets. (This letter is to be addressed by the second chargeholder to the first chargeholder).

Explanations :

- a. Where the proceeds of the proposed security (i.e., property secured by way of equitable mortgage) is to be shared amongst the Banks/financial institutions the documents mentioned against Annexure 1 to 4 & 6 above have to be obtained to have a pari passu charge.
- b. Where the Bank proposes to have a second charge on the property by extending the charge on the equitable mortgage in favour of the first charge holder to secure the advances granted by the Bank as a second charge holder, for having a valid second charge the documents mentioned against Annexures 1 to 4 & 8 above have to be obtained.
- c. Where the equitable mortgage is not extended with the prior mortgagee but a fresh second charge by way of mortgage has been created in favour of the Bank separately
  1. the documents mentioned against Annexure 5 and 6 are to be obtained for creating pari passu charge.
  2. the documents mentioned against Annexure 7 and 8 are to be obtained for creating a second charge.

LETTER TO BE ADDRESSED BY THE BORROWER  
TO THE PROSPECTIVE MORTGAGEE

The Manager,  
State Bank of India,  
.....

Dear Sir,

Creation of subsequent charge by way of  
Equitable mortgage in favour of SBI

We refer to your letter dated ..... wherein you have sanctioned a Home Loan of Rs.....(Rupees.....) to me, subject to certain terms and conditions I have already borrowed a sum of Rs\*..... (Rupees..... old.....) from ..... (Name of the society/Bank who have granted loan already) [herein called as the "Institution"] and as a security there for I have created a mortgage by way of deposit of title deeds on ..... (date) in respect of my property situated at .....(place).

Since the said Home Loan of Rs.....(Rupees.....) sanctioned by you also requires to be secured by a mortgage by way of deposit of title deeds of my property above mentioned, I hereby request you to authorize the Institution to continue to hold the said document(s)/deed(s) of title also for and on behalf of you, for securing the amount of Rs..... (Rupees.....) sanctioned by you along with costs, charges, interest and expenses. I shall create such a further charge in your favour by specifically declaring so before the Institution on hearing from you.

Place :  
Date :

Yours faithfully,

Borrower

(\*Loan granted by the Institution)

LETTER TO BE ADDRESSED BY THE PROSPECTIVE  
MORTGAGEE TO THE PRIOR MORTGAGEE

The Manager,  
\_\_\_\_\_ (Institution)

Dear Sir,

Creation of subsequent charge

Shri/Smt. ....(name of the Borrower)

We have been informed by the above mentioned borrower that the property situated at ..... (place) is mortgaged to you by way of deposit of title deeds by the borrower w.e.f..... (date) for securing a sum of Rs\*..... advanced by you as Home Loan to the said borrower. The said borrower is now desirous of borrowing a sum of Rs..... being Home Loan from us for the purpose of construction/completion/extension of the house/flat i.e.- (details of the property).As per the terms and conditions of the Home Loan sanctioned by us it is required to be secured by way of mortgage of the borrower's said property which is already mortgaged to you as stated above.

We hereby request and authorize you to hold the document(s)/ deed(s) of title relating to the said property deposited with you by the Borrower for and on behalf of us also, on creation of further charge in our favour by the said borrower to secure the said amount of Rs. \_\_\_\_\_ sanctioned by us. We further request you to hold the said document(s)/ deed(s) of title deeds until the entire amount of Home Loan granted and to be granted by us alongwith interest, costs, charges and expenses is repaid to us by the Borrower and that in the event of default on the part of the said borrower as per the terms and conditions of the loan granted by you, to realise the said security for and on behalf of us also. It is also requested that the proceeds so realised may be

- (i) proportionately appropriated/applied in the ratio of the Home Loan amount due to you and the Home Loan amount due to us.
- (ii) first appropriated towards your dues and the balance if any be paid to us.

(\*Loan granted by the Institution)

2. In the eventuality of happening of event of default on the part of the said borrower under our loan documentation we shall be free to initiate legal action against the borrower including inter-alia enforcing /realising the security as above stated with due regard to our inter-se arrangement viz the said security

3. Accordingly we have advised the borrower to create a further charge in our favour with you as stated above. Please confirm the same and intimate to us your acceptance of the above proposal. A copy of the Memorandum of entry be forwarded to us for our records.

Place : (State Bank of India Prospective Mortgagee)

Date :

- (i) Retain if it is a pari passu charge and delete words marked.(ii)
- (ii) Retain if it is a second charge and delete words marked (i).



MEMORANDUM OF DEPOSIT OF TITLE DEEDS TO BE  
RECORDED IN THE BOOKS OF PRIOR MORTGAGEE

On the ... day of ..... 20.. Shri/Smt..... residing at ..... (hereinafter referred to as `the borrower') had attended the office of the .....(address of the Institution) and had delivered / deposited the document(s)/deed(s) of title as enumerated below pertaining to the borrower's property situated at ..... (more particularly described in the Schedule hereunder) with the intent to create security by way of mortgage by deposit of title deeds to/with Shri.....being .....(designation) of the Institution to secure the Home Loan amount of Rs\*..... (Rs.....) sanctioned by the .....(Name of the "first charge holder" hereinafter called "the Institution") to the said borrower.

On the ..... day of .....20.. the Borrower attended the office of the Institution situated at ..... at ..... a.m./p.m. and specifically declared his/her intention to Shri.....being.....(designation) of the Institution to create a further equitable mortgage in favour of State Bank of India over the same property as mentioned above by authorising the Institution to continue to hold the documents of title deeds stated above for and on behalf of State Bank of India also to secure the Home Loan amount of Rs..... (Rupees.....) sanctioned by the said State Bank of India to the borrower. 1. (The borrower further stated that the equitable mortgage shall be security for the amounts due from the Institution and SBI jointly). 2. (Shall be subject to the mortgage in favour of the Institution).

The borrower further declared that the said title deeds held by the institution are the only document(s)/deed(s) of title pertaining to the said property and confirmed that the institution may continue to hold the said document(s) / deed(s) of title for itself as well as for and on behalf of State Bank of India as an agent.

(\* Loan granted by the Institution)

Shri ..... being ..... (designation) of the Institution accepted the said declaration/representation/statement as above made by the said borrower in the presence of Shri ..... and Shri.....both being .....of the Institution.

The above was read over to the borrower and the borrower confirmed the same.

List of the documents :

Sr.No.	Description	Date
--------	-------------	------

Schedule of the property  
(Full description of the mortgaged property)

Place :

Date :

Manager  
(Institution)

- i) Retain if a pari passu charge is created and delete words in `2'.
- ii) Retain if it is a second charge and delete words in `1'.

LETTER TO BE ADDRESSED BY THE PRIOR  
MORTGAGEE TO THE SUBSEQUENT MORTGAGEE

The Manager  
State Bank of India

.....  
Req: Creation of charge  
in favour of .....  
by Shri/Smt.....  
(called as `borrower')

Please refer to your letter No..... dated..... whereby you have requested and authorised us to hold the document(s)/deed(s) of title relating to the property situated at ..... belonging to Shri/Smt..... (borrower) for and on your behalf This is to confirm that the said borrower has created on ..... (date) a further charge on the said property by authorising us to continue to hold the documents of title deeds to the said property for and on your behalf also to secure a sum of Rs.....(Rupees.....) proposed to be advanced by you to the said borrower and we continue to hold the said documents as intended for and on your behalf. A copy of the memorandum of deposit of title deeds recorded in our books on ..... (date) is enclosed for your record.

We further confirm that we shall continue to hold the documents of title relating to the said property till you advise us of the repayment of entire Home Loan advanced by you to the said borrower along with interest, costs, charges and expenses We also confirm that in the event of the default on the part of the said Borrower, as per the terms and conditions of the loan advanced by us we shall realise the said security on your request and share the proceeds thereof

1. (in proportion to the ratio of the outstanding loan amount due to us and to you. We further agree to execute a pari passu agreement incorporating the terms and conditions for distribution of the proceeds thereof)
- b. (first towards our dues and the balance, if any, towards your dues).
- iii) We hereby enclose a draft of the letter to be executed by you in our favour, setting out the terms and conditions on which you have accepted the arrangement as a second charge holder.

Place :  
Date :

Yours faithfully,

(Institution)

- i) Retain if it is a pari passu charge and delete the words marked in `2'.
- ii) Retain if it is a second charge and delete the words marked in `1'.

PARI PASSU LETTER

.....  
.....

(Bank/Financial Institution etc Second Charge Holder)

Dear Sir,

Re : .....

(Name of the Borrower)

We,..... hereby confirm and agree that notwithstanding anything to the contrary contained in or by virtue of the mortgages and charge created by the abovementioned borrower on his/her immovable properties situated at ..... in our favour to secure term loans of Rs..... lent and advanced by us to the Borrower and the mortgages and charges already created and to be created by the borrower in your favour to secure the term loan of Rs..... lent and/or to be advanced by you to the borrower shall rank pari passu in point of security and for the purpose of realisation without any preference or priority of one over the other or others for all purposes and to all intents.

We hereby further agree and undertake and confirm that we shall execute a pari passu inter-se agreement with you to which the borrower will also be a party, so as to provide that the securities created/to be created by the borrower under or by virtue of the aforesaid mortgages and charges shall all rank pari passu in point of security and for the purpose of realisation without any preference or priority of one over the other or others for all purposes and to all intents and including therein specific provisions regarding insurance, custody of insurance policies, custody of title deeds, realisation of sale proceeds etc., in such form and in such manner as may be mutually agreed upon. In the meantime kindly acknowledge the arrangement by signing the duplicate of this letter.

Place :-

Yours faithfully,

Date :-

(First Charge Holder)

To

.....  
.....

(First charge Holder)

Dear Sir,

We agree for the terms and conditions as mentioned above

Place :

Yours faithfully

Date :

(Second Charge Holder)

INTER-SE PARI-PASSU AGREEMENT  
(To be stamped as an agreement and power of attorney)

---

- (a) Retain para if the equitable mortgage has been created in favour of the Bank/Institution jointly. Delete para 2.
  - (b) Retain this para if the equitable mortgage is created in favour of one and then extended in favour of the other. Delete para 1.
- 

It has been decided by and between the parties hereto that the said Joint Equitable Mortgage (hereinafter referred to as the "said securities") shall all inter se rank pari passu for all purposes and to all intents and that all monies resulting from the enforcement and realisations of the securities shall be distributed and shared between the Bank pari passu without any preference or priority and that for such purpose an agreement being these presents should be entered into by and between the parties hereto in the manner hereinafter appearing.

NOW THESE PRESENTS WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS :

1. Notwithstanding anything to the contrary by virtue or reason of or implied by or contained in the said securities, the mortgages and charges created thereunder shall all inter se rank pari passu in point of security without any preference or priority of one over the other for all purposes and to all intents.
2. During subsistence of the said securities created all insurance policies in respect of mortgaged assets shall be taken out by the borrower in the joint names of the borrower and the said banks or as agreed between the Banks with such insurance company or companies as the said Banks may approve in such manner and for such value and against such risks as may be determined by them. The policies of insurance shall be held and retained by any one of the said banks in its custody for the mutual benefits of the said Banks and the same shall be made available to each other whenever required against accountable receipt for the same.
3. In case of any monies becoming due and payable under the insurance, the amount realised from the insurance company or companies shall be received in the first instance by one of the Banks unless the said banks require it to be applied in or towards the amounts due to each of them in accordance with the provisions hereof or be applied for repair and/or reinstatement and/or replacement of the mortgaged assets so damaged or destroyed.
4. All title deeds and documents relating to and in respect of the mortgaged assets deposited by the borrower with \*SBI/Institution as aforesaid shall be held by and remain in the custody of \* SBI/Institution for the mutual benefits of the Banks and shall be made available to each other whenever required against accountable receipt.
5. If in pursuance to any permission in writing that may be jointly given by the said Banks to the Borrower to sell any assets forming part of the mortgaged assets if the borrower sells any such assets, the sale proceeds realised by the

borrower out of the sale of such assets shall be utilised by the borrower for liquidating the said Term Loan facilities with interest costs and charges thereof with the Bank as mentioned below.

6. Unless otherwise agreed to in writing between the said Banks, the borrower shall not repay any part of the term loan without offering to prepay and prepaying the proportionate amount of the loan due to the other of the said Banks.
  7. The borrower shall pay and discharge all his/her obligations and liabilities to each of the said banks as and when the same shall arise without preferring one over the other. The said Banks shall at all times act in consultation and co-operation with each other in regard to the said term loan and other facilities if any granted by them to the borrower and the securities created by the borrower in their respective/joint favour as aforesaid and the recovery of the same.
  8. In the event of the said Banks or any of them enforcing the mortgaged assets either through the intervention of the Court or otherwise or by appointing a Receiver or by sale for realisation of the mortgaged assets or otherwise howsoever and in whatever manner, the said Banks or any of them may think fit the proceeds of the sale or other proceeds or realisation of the mortgaged assets remaining after deducting therefrom the costs (between Advocate and client) charges and expenses incidental to such sale shall be applied.
    - a. First in liquidation of the amount due for interest in the said Term Loan Accounts in proportion with the respective amounts of the said Banks outstandings thereon respectively on the date of enforcement of security.
    - b. Secondly the balance of such money shall
      - viii. in the event of monies available for distribution to the said Banks being sufficient to pay to each of them the full amount of the principal outstanding to each of them in the said securities be applied simultaneously in payment to the said Banks of the amounts due and outstanding under or in respect of the said Term Loan Accounts in full.
      - ix. In the event of moneys available for distribution being insufficient to pay to the said Banks, the full amount outstanding to each of them be applied *pari passu* as nearly as possible and practicable towards payment of each of the said Banks in proportion to the principal amount outstanding with each of them, without any preference or priority of one over the other. The amount disbursed to each of the said Banks shall bear the same proportion to which the outstanding amount due under the said Term Loan Account(s) bear to the aggregate to the total outstanding amount due to the said Banks.
      - x. The surplus if any, of the aforesaid monies will be paid to the person/s entitled thereto.
      - xi. Until such application, the monies realised by any of the said Banks or any receiver appointed by them shall be held by it or by such receiver in Trust for the said Banks in accordance with their respective rights hereunder.
12. Either of the said Banks shall be entitled to bring a suit or proceedings or to take any steps for enforcement of the securities created in its favour as aforesaid for realisation of its dues from the borrower and in the event of institution of any

such suit or proceedings the bank so instituting shall join the other as party defendant, in the event of its not willing to join as party plaintiff in such suit or other legal proceedings.

13. Each of the said Banks shall keep the other advised of all matters affecting these presents and particularly each Bank shall, prior to taking any action or other steps for enforcement of its security, consult the other Bank and all of them shall cooperate with one another in respect of all matters so far as the same is practicable without affecting their own respective rights and each of them shall at all times keep the other informed of all serious and important matters coming to its knowledge relating to the mortgaged assets or any part or portion thereof and otherwise relating to the Borrower.
14. If any of the said Banks in pursuance of the powers reserved to it decides to enforce its right to sell mortgaged assets or any part thereof or to exercise any other rights/ powers conferred on it by these presents in such case it shall consult the other or the said banks before enforcing such security or exercising such rights or powers. If at any time in the course of enforcing security any of the said Banks decides to appoint a Receiver in exercise of the powers reserved therefor in the said and in respect of mortgaged assets other rights or any part thereof it shall appoint such receiver after consultation with the other and after obtaining their concurrence.
15. Each of the said Banks shall not without the consent of the other agree to any modification of the terms of the presents and shall not without like consent grant time or any indulgence to the borrower after the security has become enforceable or been enforced by any of the said Banks.
16. Each of the said Banks shall supply to the other of the said Banks monthly or other agreed periodical statement showing the state of the Accounts in the books of the said Banks.
17. The borrower doth hereby confirm these presents and undertakes that during the subsistence of the mortgaged assets, the borrower shall not do or suffer to be done or be a party to any act done or matter or thing which may in any way prejudicially affect the security and the rights of the said banks.
18. The borrower shall
  23. procure the proper stamping and registration of this agreement and its counter parts.
  24. Reimburse the other parties hereto the legal and other expenses incurred by each of them in negotiating and settling these presents and until payment, such expenses shall form part of the debts in the said accounts and be recoverable as such.
  25. Pay such additional stamp duty and other dues /taxes/ charges and other penalties if and when the borrower may be required to pay according to the law for the time being in force in the state in which the properties are situate or otherwise and in the event of the borrower failing to pay the same as aforesaid any one of the said Banks will be at liberty to pay the same and the borrower shall repay the same such of the Bank(s) who paid and until such payment by the borrower the same shall form part of the debts in the said accounts and be recoverable as such.

19. In the event of any of the securities becoming enforceable the others of such securities shall also forthwith become enforceable notwithstanding anything to the contrary in the documents evidencing creation of such securities.
20. These presents shall continue to be in force and valid and subsisting until the amount due to the said Banks or any of them and every part thereof shall have been paid in full by the borrower to each of the said banks.

IN WITNESS WHEREOF the Borrower and the said Banks have hereunto set their respective hands the day and year first hereinabove written.

Schedule

Mortgaged Assets

---

(Borrower)

SIGNED AND DELIVERED

by the abovementioned State Bank of India by  
Shri.....

Designation

SIGNED, SEALED AND DELIVERED by the  
Abovenamed .....

(Institution) by the hand of its duly constituted  
Attorney Mr.....

LETTER FROM THE FIRST CHARGEHOLDER  
TO THE SECOND CHARGEHOLDER

..... (Bank)

..... (2<sup>nd</sup> Chargeholder)

Dear Sir

Re: Sri/Smt.....(Borrower)

We have granted to Shri/Smt.....(hereinafter called the `Borrower') a loan of Rs\*..... against the security of immovable properties situate at ..... belonging to the borrower. The borrower has informed us that at his/her request you are agreeable to grant a term loan facility of Rs..... against the security of immovable properties situate at .....which has been mortgaged to us.

We have no objection in your granting additional facility by way of term loan to the borrower not exceeding Rs..... excluding interest, costs, charges and expenses and also in the borrower creating in your favour a second charge by way of mortgage on the above mentioned securities which are already charged in our favour. Please note the advances made and to be made by you and the charges that would be created by the borrower in your favour will be subject to the charges already created by the borrower in our favour in respect of the facility granted by us as well as to be granted by us in future.

We enclose a draft of the letter to be executed by you in our favour setting out the terms and conditions on which you have accepted the arrangement as a second charge holder.

Place :

Yours faithfully,

Date :

\_\_\_\_\_  
(First Charge Holder)

(\* Loan granted by the Institution)



LETTER TO BE ISSUED BY BANK FOR HAVING SECOND CHARGE  
ON THE FIXED ASSETS FOR ITS TERM LOAN FACILITIES

To,

.....  
(First Charge Holder)

Dear Sir,

Re :..... (Borrower)

We are aware that you have sanctioned to the aforesaid borrower financial assistance for buying/constructing a house/flat at ..... (hereinafter called as 'Fixed assets'). At the request of the borrower you have agreed to our having second charge on the fixed assets of the borrower to secure Bank's term loan facility (ies) to the extent of Rs.....

In consideration of the aforesaid premises, we do hereby agree and confirm that notwithstanding anything to the contrary contained in or by virtue of the charge created/to be created by the borrower on the fixed assets to secure inter alia the term loan facilities sanctioned by us to the borrower shall rank subsequent to and subservient to and rank after the charges created/to be created by the borrower in your favour to secure the financial assistance granted by you to the borrower.

We hereby further agree and confirm that :

a.

- a) Any sale proceeds realised in respect of the mortgaged property will be payable first to you and the balance left will be payable to us as a second chargeholder.
- b) any compensation received for the acquisition of the properties mortgaged for the loss /destruction thereof shall be paid first to you as first chargeholder and only the surplus if any shall be paid to us in satisfaction of our second charge :

(a) we ..... (Bank) shall resort to any legal proceedings for the sale of the fixed assets or part thereof or for the exercise of our rights against the borrower only after :

- (i) giving to the first chargeholder a notice of minimum of 60 days; and
  - (ii) obtaining first chargeholder's prior approval in that connection which shall not be unreasonably withheld in a manner prejudicial to the interest of .....(Bank) .
- (b) The first chargeholder shall not be called upon by us to exercise or enforce their rights over the mortgage/charges created in their favour or otherwise.
  - (c) Any further assistance granted by the first chargeholder to the borrower shall if so stipulated by the first chargeholder and without any further

reference to the us be secured by a first charge on all the assets of the borrower ranking above the charge in favour of us.

- (d) We.....(Bank) shall not have the right of marshalling securities referred to in Section 81 of the Transfer of Property Act, 1982 vis-à-vis the first chargeholder .
- (e) The borrower shall procure.....(Bank's) consent to share on a pro-rata basis the expenses as and when incurred by the first chargeholder in connection with the payment of insurance premia or for the preservation of assets and/or enforcement of security.

Yours faithfully,

Place :

Date :

For (Bank).....

**MEMORANDUM OF UNDERSTANDING  
AUTOMATIC APPROVAL UNDER SYNERGY WITH SME (BU)**

This Memorandum of Understanding (MoU), made on the (Date) at (Place) between

<Name of the Builder> , a <Constitution> incorporated/established under the < act under which incorporated/established> having its Registered Office at <complete postal address of the registered office> (hereinafter referred to as “the Builder” which expression shall, unless it be repugnant to the context or meaning thereof, shall mean and include its successors, and assigns) of the **First Part**

AND

**State Bank of India**, constituted under the State Bank of India Act 1955, having its Corporate office at Madame Cama Road, Mumbai (hereinafter referred to as the “SBI” which expression shall, unless it be repugnant to the context or meaning thereof, shall mean and include its successors and assigns) of the **Second Part**,

Records the understanding arrived at between the parties in the meeting dated <date> held at <Place>.

**WHEREAS:**

- A. Builder is engaged in development, construction, and sales of real estate including residential real estate (herein after referred to as the “ Property”).
- B. SBI is a reputed public sector bank which provides a wide range of banking services and financial products, including, inter alia, finance for development and/or construction of real estate, Home Loans to the Individuals for purchase of dwelling units etc..
- C. Pursuant to the aforesaid meeting the parties had mutually agreed to to promote, market and make accessible organised finance facility at competitive interest rates to the individuals across the country including semi urban and rural areas who wish to buy Property from the Builder in the projects specifically approved by the Bank for financing Home Loans (herein after referred to as the “Customers”

**NOW THIS MOU WITNESSTH AS FOLLOWS:**

1. Builder is developing/constructing a project consisting of \_\_\_\_\_ number of residential housing units at the following location :

< Complete address of the project site>

2. Builder has nominated SBI as its preferred financier for financing customers for purchasing the Property from the Builder, and SBI accepted the said nomination. The said Preferred Status to SBI will mean that SBI shall have the first right of refusal to sanction Home Loans to the Customers who seek funding from the Banks, Housing Finance Companies or any other regulated financier. Builder has agreed to route minimum < \_\_\_\_\_ > (100%/75%/50% etc.) of Home Loan business from the project to SBI.
3. SBI has 'Approved' the 'Property' for extending Home Loans to the 'Customers'. The 'Property' shall be eligible for the benefits attendant on the 'Approved Project' as per the SBI Home Loan Scheme.
4. Builder has furnished documents like documents like title deeds, development agreement, permission from the competent authority to commence construction etc. SBI has ascertained the Builder's right to confer a clear and marketable title to the Customers.

Or (Strike off whichever is not applicable)

The Builder undertakes to provide, within \_\_\_\_ months from this date, documents like title deeds, development agreement, permission from the competent authority to commence construction etc. which are necessary for ascertaining the Builder's right to confer a clear and marketable title to the Customers. SBI may at its discretion sanction Home Loans to the Customers on the basis of the undertaking by the Builder. Following credit enhancements will be provided by the Builder to protect the interests of SBI and the Customer :

(i)

(ii)

5. The Builder shall not use without SBI's consent SBI's name or logo to promote its business and there shall be no representation from the Builder that SBI will offer credit facility as a matter of right to the Customers. Home Loans will be sanctioned at the sole discretion of SBI.

6. SBI agrees to offer financing facilities to eligible Customers at certain identified branches of SBI.
7. SBI shall be at liberty to conduct such credit appraisals as it may consider necessary and will process Customers' requests normally within seven working days after receipt of duly completed application forms with the necessary supporting documents.
8. SBI will evaluate the needs of the Customers and develop appropriate financing packages including product structuring, down payments, tenure of loan, and effective rate of interest to customers on best effort basis, subject to prevailing market conditions and in conformity with the guidelines issued by the Reserve Bank of India and the lending norms of SBI .
9. Builder will not have any authority to make commitments, representations or give any warranties or otherwise on behalf of SBI to any Customer. SBI too shall not have such an authority on behalf of the Builder.
10. A Coordination Team comprising of the following members will be formed for driving business and monitoring business performance under this MoU will be formed with immediate effect –

<b>Functional area</b>	<b>Authority from Builder</b>	<b>Authority from SBI</b>
Finance	<Name of the authorized representative with designation>	<Name of the authorized representative with designation>
Marketing	<Name of the authorized representative with designation>	<Name of the authorized representative with designation>

Change in incumbency of the Authority mentioned above will automatically substitute the present incumbent with the new incumbent in the Coordination Team.

The Coordination Team shall focus on areas like resource allocation, central communication, training etc., so as to monitor the performance of the tie up arrangement in an effective manner.

11. Various sales and promotion activities will be undertaken at Builder's marketing and sales offices or at outside locations under the tie-up arrangements. Teams from both the Builder and SBI will be participating at various levels to design promotion schemes from time to time.
12. Builder shall provide leads for Home Loans to designated office of SBI. Builder shall provide authorized representatives of SBI with access to its Sales & Marketing offices and Project Site for sourcing of Home Loans. The documentation pertaining to the Home Loan, approval and disbursement will be primarily collected and processed by SBI. However Builder staff may support filling up of application form etc. at the Builder's office. SBI will pay a remuneration <please specify details here> as service fee to the Builder or his Nominee for providing such services if the loan is disbursed by SBI to the Customer.
13. Service levels :
  - a. SBI will process customers' requests normally within SEVEN working days after receipt of duly completed application forms with the necessary supporting documents.
  - b. SBI will arrange for collection of loan applications from the Builder.
  - c. The identified resource persons at the branches will visit the Builder at a frequency in accordance with the flow of business.

These commitments are however on best effort basis and shall not put any financial obligation on SBI for any deviation.
14. Both the Builder and SBI will not share the data regarding their existing customer database with any third party. The sharing of database will be on trust that this will not be used by either party for providing any kind of information to any third party and/or in any manner which infringes upon the right of privacy and confidentiality of the Customers.
15. This MoU will valid for a period of 2 years. It will be reviewed after 2 year and the party who desires to exit may do so by giving a notice of 60 days to the other party. If none of the parties decide to exit from the MoU, then it will be automatically extended till all the residential housing units in the project are sold out by the Builder.
16. The conditions set forth herein can be modified by mutual consent of SBI and Builder.
17. This MoU shall not restrict or prohibit SBI from entering into similar arrangements with any other Builder or the Builder from entering into similar arrangements with any financial

institution or continue its existing similar arrangements, subject to the condition of offering the first right of refusal to SBI.

18. All notices to be given under this MoU shall be made in writing and shall be delivered either (a) by registered post (b) by courier service or (c) by facsimile (confirmed by registered mail) to their respective following addresses, unless otherwise designated or changed by written notice by the parties hereto.

ADDRESS OF THE BUILDER :

Contact Person :

ADDRESS OF SBI:

Contact Person :

25. Waiver of any of the terms of this MoU shall not be construed as a waiver of other terms mentioned in this MoU.
26. Neither party shall assign or transfer any of its rights or obligations under this MoU to any third party without the prior written consent of the other.
27. If any para of this MoU is found by competent authority to be void, voidable, illegal or otherwise unenforceable, the remaining provisions of this MoU shall remain in full force and effect.

In affirmation the parties hereto have signed this Memorandum of Understanding on the day first hereinabove written.

**Builder**

Authorized Signatory from Finance Department

Authorized Signatory from Marketing Department

**SBI**

Authorized signatory from the department responsible for sanction or supervision of the credit facility sanctioned to the Builder.

Authorized signatory from the department responsible for marketing or sanction of Home Loans.

**VALUATION FORMAT FOR THE PURPOSE OF  
ASSESSING CAPITAL RISK WEIGHT (CRW) UNDER BASEL II**

Home Loan Account No. :  
 Name of borrower :  
 Name of Branch/RACPC :  
 Sanctioned on :  
 Date of construction of house/flat :  
 Cost of property at the time of sanction (as per existing valuation report, if obtained) : Rs.  
 Loan amount sanctioned : Rs.  
 LTV ratio at the time of loan sanction : .....%  
 Address of the house :  
 Area of land / undivided share of land in the case of flat : s.ft.  
 Area of building / flat : s.ft.

(a) Value of the property now, as per enquiry in the market/with reputed builders in the area / guideline value at the Registrar's office

(i) Value of land	Rs.
(ii) Value of building (assuming it to be a new construction)	Rs.
	-----
	Rs.

(b) Less: depreciation at the rate of 2.5% per annum on the value of the building as per the market value arrived at in (a)(ii) above. Rs.

-----

(c) Valuation of the property as on date Rs.

=====

(d) Loan outstandings as on date Rs.

(e) LTV ratio as on date ('d' as a percentage of 'c') .....%

(f) Capital Risk Weight required as on date 50% / 75% / 100%

{ CRW requirements :

Loans with LTV ratio upto 75% : 75% for loan above Rs.20 lacs, 50% for loan upto Rs.20 lacs  
 Loans with LTV ratio above 75%: 100% }



Asst. / Dy. Manager (Advances) / Appraisal Officer.

Date :

Countersigned by official above the Asst. / Dy.  
Manager (Advances) / Appraisal Officer.

(Signature)

Date:



**MEMORANDUM FOR WBCC-II FOR SANCTION\*** (for loans up to Rs.10.00 cr.)**MEMORANDUM FOR CCCC AND ECCB FOR SANCTION\*** (for loans above Rs.10.00 cr.)

\*(Delete whichever is not applicable)

<b>Circle</b>	
<b>Branch / RACPC</b>	
<b>Segment</b>	
<b>Constitution</b>	

**II. Proposal:**

Sanction for	
Approval for	

**III. Credit Limits (Existing and Proposed):**

(Rs. in Crores)

<i>A. Existing</i>				<i>B. Proposed</i>			<i>C. Change</i>	
<b>Limits</b>	<b>SBI</b>	<b>%</b>	<b>MBA</b>	<b>SBI</b>	<b>%</b>	<b>MBA</b>	<b>SBI</b>	<b>MBA</b>
FUND BASED (FB)								
<b>Total FB</b>								

**IV) APPLICANT'S PROFILE**

1	Name of the Applicant(s) and age / relationship (in case of joint borrowing)	
2	Address	
3	Qualification	
4	Profession/ Occupation	
5	Brief profile on the borrower	

	including value of existing connections					
6	Net Monthly Income (NMI) /NAI (As per Salary Certificate / latest IT return )					
7	Net Worth					
8	Deposit connections					
9	Details of existing P-segment Loans availed, if any	Facility	Date of sanction	Limit	O/S	IRAC Status
10	Details of Fund Based and Non Fund Based Limits, if any, enjoyed by the firms / companies with our Bank in which the borrower is a director / partner	Name of the Branch				
		<u>Fund Based</u>				
		<u>Non-Fund Based</u>				
		CRA Rating				
		IRAC Classification				
11	Details of credit facility availed, if any, form other Banks / Financial Institutions.					

#### **V) BRIEF DETAILS OF THE PROPOSED LOAN**

12	Purpose	
13	Location & Full description of the house / flat to be constructed /purchased	

14	If the house / flat to be purchased are old one, what is the age of the house / flat and its residual life? Whether structural stability / fitness certificate obtained.	
15	Market value of the property as per the valuation report compiled by our Bank's approved valuer.(Rs.per sq.ft)	
16	Whether satisfactory Legal Opinion / Search Report obtained?	
17	Whether all statutory approvals / clearance has been obtained from Corporation/ Municipal and local authorities.	
18	Particulars of Pre-sanction inspection conducted.	
19	Project Cost (Rs. in cr.)	
	Cost of land / Flat Construction cost Registration Charges } Stamp Duty	Rs. Rs. Rs. -----
	<b>Total project Cost</b> Less Margin	<b>Rs.</b> Rs. -----
	Loan amount	Rs.
	Margin (%)	
	Equated Monthly Instalment (EMI)	EMI towards existing loans: Rs. EMI towards proposed loan: Rs.  Total :Rs. -----
	EMI/NMI Ratio	
20	Loan eligibility	
	Based on EMI/NMI ratio of % - (A)	Rs.
	% of the Project Cost - (B)	Rs.
	Loan amount requested - (C)	Rs.
	Loan amount recommended - (D) (least of A ,B & C)	Rs.
21	Security	<u>Primary</u> :

		<u>Collateral :</u>	
22	Interest Rate (Floating)	Card Rate	Rate proposed
23	Processing Fees		
24	Repayment Schedule		
25	Facility	Term Loan	
26	Mode of Repayment		
27	Whether the loan is covered under SBI Life.		

**V) JUSTIFICATION AND RECOMMENDATION**

**VI) CONFIRMATION:**

*We confirm that*

i)	<i>The proposal complies with Loan Policy guidelines / RBI prescriptions / Home Loan Schemes.</i>
ii)	<i>Applicant's name(s) is / are not figuring in RBI /CIBIL defaulters list.</i>
iii)	<i>The undersigned is satisfied with the overall viability of the proposal and the recommendations made</i>

Circle:

Date:

Chief General Manager



	by the firms / companies with our Bank in which the borrower is a director / partner  Details of credit facility availed, if any, form other Banks / Financial Institutions.	<u>Fund Based</u>  <u>Non-Fund Based</u>  CRA Rating IRAC Status	
--	--	---	--

## 2. BRIEF DETAILS OF THE LOAN SANCTIONED

8	Purpose		
9	Location & Full description of the property to be constructed /purchased		
10	Project Cost (Rs. in cr.)		
	Cost of land /Flat Construction cost Registration Charges  <b>Total project Cost</b> Less Margin  Loan amount	Rs. Rs. Rs. ----- <b>Rs.</b> Rs. ----- Rs.	
	Margin (%)		
	EMI/NMI Ratio		
11	Loan eligibility		
	Based on EMI/NMI ratio - (A)	Rs.	
	% of the Project Cost - (B)	Rs.	
	Loan amount requested - (C)	Rs.	
	Loan amount sanctioned - (D) (least of A ,B & C)	Rs.	
12	Security		
13	Interest Rate (Floating)	Card Rate	Rate approved
14	Repayment Schedule		
15	Facility	Term Loan / Maxgain	
16	Whether the loan is covered under SBI Life.		



**3. JUSTIFICATION FOR THE PROPOSAL AND CONCESSION / RELAXATIONS APPROVED.**

**4. CONFIRMATIONS:**

*We confirm that Bank's laid down instructions with regard to **Loan Policy guidelines / Home Loan Scheme / figuring in RBI/ CIBIL defaulters list and other risk factors and obtention of all statutory approvals /Legal opinion / Search report /Inspection etc. have been complied with.***

*5. Submitted for control.*

Chairman (CCC-I)

To,

Name(s) and addresses of the borrowers  
(Copy of this letter to be sent independently to the guarantor(s), if any)

Dear Sir,

**Rephasement of Home Loan repayment schedule**  
**Home Loan Account No. \_\_\_\_\_**

With reference to your letter dated \_\_\_\_\_ requesting for rephasement of Home Loan repayment, we have to advise as under -

1. Present outstanding loan amount including principal, interest and charges debited to the loan account is  
Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_)

2. If you agree, your Home Loan repayment is proposed to be rephased as under -

Parameter	Original Value as per agreement mentioned above	Revised Value\$
Loan Tenor (Calculated from the date of first disbursement of the loan)		
Interest Rate		
Pre-EMI Moratorium		
Mid Stream moratorium		
Number of EMIs and Start Date of EMIs		(Mention number of EMIs to be paid after rephasement and start date for payment of EMI revised after rephasement. (Number of EMIs =Remaining Loan Tenure-Moratorium allowed, if any, during remaining loan tenure)
EMI per month		(EMI per month to be calculated on the basis of number of installments proposed to be paid after rephasement , loan outstanding, and applicable interest rate.)

\$ Please note that the proposed revised terms will come into effect only after completion of the requisite formalities like submission of Stamped Agreement and Post Dated Cheques/Standing Instructions/ECS mandate etc. for loan repayment in accordance with the terms of rephasing within the stipulated time period.

2. You are requested to study and evaluate this offer and convey your acceptance of the offer or rejection as the case may be to us within 15 days from the date of this letter. Offer shall not be valid beyond 15 days from the date of this letter.

3. It may please be noted that other terms and conditions of the Home Loan agreement dated \_\_\_\_\_executed by you shall be binding on you even after acceptance of the terms of rephasing by you under this offer. Security charged to the Bank for securing the loan shall continue to remain charged to the Bank till liquidation of the loan together with interest and charges as per the revised terms of repayment.

4. You would be required to adhere to the rephased repayment schedule mentioned above without any default.

5. Income Recognition and Asset Classification (i.e. IRAC) status of your account would be governed by RBI guidelines in this regard and the relevant rules would be applicable to your account in accordance with the RBI guidelines and the Bank's rules.

6. You would be required to submit Post Dated Cheques/Standing Instruction/ECS mandate or any other valid instrument of payment named by the Bank for repayment as per the terms of rephasing within \_\_\_\_ (maximum 7 days ) days.

7. You would be required to pay Costs, Charges and Fees for the purpose of rephasing to the Bank as under and execute stamped agreement in the format of the specimen provided -

Charges/Fees Head	Amount (Rs.)

8. All the co-borrowers and guarantor(s) if any, should agree to accept the revised term mentioned above and convey their acceptance of the offer by signing on the duplicate of this letter, which should be submitted to this office within the validity period of the offer.

Yours faithfully,

Branch Manager

(To be stamped as an agreement)

The Branch Manager,  
State Bank of India  
\_\_\_\_\_ Branch/RACPC  
\_\_\_\_\_ Place

Dear Sir/Madam,

**Rephasement of Home Loan repayment schedule**

I/We \_\_\_\_\_ availed Home Loan from State Bank of India (herein after referred as 'the Bank') in terms of Home Loan agreement dated \_\_\_\_\_, as per the undernoted details -

Loan amount	
Interest rate	*Fixed ____% p.a. *Floating ____% above Base Rate Present effective rate being ____% p.a.
Loan Tenor	
Pre-EMI Moratorium Period (if any)	
<b>Repayment schedule</b>	
EMI per month	
No. of EMIs	

2. The above loan is secured by way of charge in favour of the Bank as under -

Name of security	Type of Charge	Date of creation of charge

3. Present outstanding loan amount including principal, interest and charges debited to the loan account is

Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_)

4. I/we could not\*/would not be able\* (\* strike off whichever is not applicable) to adhere to the repayment schedule mentioned above due to a genuine resource crunch faced by me/us. Therefore in response to my/our request the Bank has offered rephasement of Home Loan repayment as under -

Parameter	Original Value as per agreement mentioned above	Revised Value
Loan Tenor (Calculated from the date of first disbursement of the loan)		
Interest Rate		
Pre-EMI Moratorium		

Mid Stream moratorium		
Number of EMIs and Start Date of EMIs		(Mention number of EMIs to be paid after rephasing and start date for payment of EMI revised after rephasing. (Number of EMIs =Remaining Loan Tenure-Moratorium allowed, if any, during remaining loan tenure)
EMI per month		(EMI per month to be calculated on the basis of number of installments proposed to be paid after rephasing, loan outstanding, and applicable interest rate.)

5. I/We have studied and fully understood the implications of rephasing and without any doubt whatsoever in my/our mind, I/We have accepted the rephasing of our Home Loan repayment schedule as mentioned above on our free will without any coercion from the Bank or any other quarter. I/We agree to adhere to the rephased repayment schedule mentioned above.

6. I/We understand that Income Recognition and Asset Classification (i.e. IRAC) status of our account would be governed by RBI guidelines in this regard and the relevant rules would be applicable to our account in accordance with the RBI guidelines and the Bank's rules. I/We undertake to abide by the regulation and rules in this regard in force from time to time.

7. I/We understand, admit and accept that the other terms and conditions of the Home Loan agreement executed by me/us, will be binding on us even after acceptance of the terms of rephasing by us under this document. Security mentioned above shall continue to remain charged to the Bank till liquidation of the loan together with interest and charges.

8. I/We undertake to submit Post Dated Cheques/Standing Instruction/ECS mandate or any other valid instrument of payment named by the Bank for repayment as per the terms of rephasing within \_\_\_\_ (maximum 7 days ) days.

9. I/We undertake to pay all the Costs, Charges and Fees for the purpose of rephasing to the Bank .

10. I/We agree that the rephasing mentioned above would come into effect only after completion of all formalities stipulated by the Bank and payment of relevant costs, charges and fees by me/us.

Yours faithfully,

(Borrowers)

(Guarantors)

Name(s)

Place

Date

---

**(Please affix latest passport size photograph of each of the signatory in space below and mention their names below the photographs. )**

(Specimen of NOC to be obtained from the builder/seller on their official letter head and signed by his authorized signatory.)

To:  
The Branch Manager  
State Bank of India

\_\_\_\_\_  
\_\_\_\_\_

Madam/Dear Sir,

I/We, \_\_\_\_\_ (name of the builder/seller), here by certify that :

➤ I/We have transferable rights to the property described below, which has been allotted by me/us to Shri/Smt. \_\_\_\_\_ (name of the borrowers) herein after referred to as "the purchasers", subject to the due and proper performance and compliances of all the terms and conditions of the Allotment Letter/Sale Agreement dated \_\_\_\_\_ (herein after referred to as the "Sale document")

Description of the property:

Flat No./ House No.	
Building No./Name	
Plot No	
Street No./Name	
Locality Name	
Area Name	
City Name	
Pin Code	

2. That the total consideration for this transaction is Rs. \_\_\_\_\_ (Rs.in words ) towards sale document and Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ ) towards \_\_\_\_\_.(name any other agreement, if any)

3. The title of the property described above is clear, marketable and free from all encumbrances and doubts.

4. I/We confirm that I/we have no objection whatsoever to the said purchasers, at their own costs, charges, risks and consequences mortgaging the said property to STATE BANK OF INDIA ( herein after referred to as "the Bank") as security for the amount advanced by the Bank to them subject to the due and proper performance and compliances of all the terms and conditions of the sale document by the said purchasers.

5. We have borrowed from \_\_\_\_\_(name of the financial institution) whose NOC for this transaction is enclosed herewith /  
We have not borrowed from any financial institution for the purchase /development of the property and have not created and will not create any encumbrances on the property allotted to the said purchasers during the currency of the loan sanctioned/to be sanctioned by the Bank to them subject to the due and proper performance and compliances of all the terms and conditions of the sale document by the said purchasers.
6. After creation of proper charge/mortgage and after receipt of the copies there of and after receipt of proper nomination in favour of the Bank, from the said purchasers, we are agreeable to accept State Bank of India as a nominee of the above named purchaser for the property described above and once the nomination favouring the Bank has been registered and advice sent to the Bank of having done so, I/We note not to change the same without the written NOC of the Bank.
7. After creation of charge/mortgage and after receipt of the copies thereof and after receipt of the proper nomination in favour of the Bank, from the above named purchaser , I/We undertake to inform the society about the Bank's charge on the said flat as and when the society is formed.
8. Please note that the payment for this transaction should be made by crossed cheque/Trasfer of funds favouring " \_\_\_\_\_  
(Name) , \_\_\_\_\_ Bank Name) \_\_\_\_\_ Branch , Account No. \_\_\_\_\_".
9. In case of cancellation of the sale-agreement for any reason, I/We shall refund the amount by crossed cheque favouring the Bank A/C " \_\_\_\_\_(name of the purchaser)", and forward the same to you directly.
10. The signatory to this letter draws authority to sign this undertaking on behalf of the company/firm vide \_\_\_\_\_ (description of document of delegation of authority to the signatory.)

Yours faithfully,

Authorized Signatory.

Name -  
Designation -  
Place -  
Date -



**Default TL Account Register**

Sr. No.	Name of the borrower / account	Loan Amount		Date of original Document / Latest RL	Date of default (II instalment) (T)	Date when the need for RL to be reckoned (T + 6 m)	Date before which RL to be obtained (T + 9 m)	Date of Regularisation	Date of obtention of RL	Remarks
(1)	2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)
		Limit	O/s							

Col. 5 : when two consecutive instalments are in default

Col. 8 : when a regularization occur during T + 6 m / T + 9 m, by which the need for a RL is obviated (Col. 9)





(Mark "✓" in the appropriate box)

Language	Read	Write	Speak	Understand
a) _____	[ ]	[ ]	[ ]	[ ]
b) _____	[ ]	[ ]	[ ]	[ ]
c) _____	[ ]	[ ]	[ ]	[ ]

### 13. Declaration

I hereby declare that

- 1) I retired from the Bank's service on attaining superannuation and not under Voluntary Retirement Scheme or Exit Option Scheme.
- 2) no punishment / penalty was inflicted on me during five years of my service in the Bank preceding my retirement.
- 3) no case of CBI or any other Law Enforcement Agency is pending against me and
- 4) I am physically fit to carry out duties of the Marketing Consultant including continuous travel.

I further declare that all statement made in this application are true, complete and correct to the best of my knowledge and belief. I understand that in the event of any information being found untrue or incorrect at any stage of my not satisfying any of the eligibility criteria according to State Bank of India, my candidature is liable to be cancelled.

Place : \_\_\_\_\_ Signature: \_\_\_\_\_

Date : \_\_\_\_\_ Name of candidate: \_\_\_\_\_

Signature of Shri..... verified

(Signature & seal of the BM of the pension disbursing branch)

**AGREEMENT FOR EMPANELMENT OF MARKETING CONSULTANTS**

THIS Agreement for empanelment of Marketing Consultants is entered between State Bank of India, Zonal Office \_\_\_\_\_(place) as “First Party” and

AND

Shri/Smt/Kum. \_\_\_\_\_(retired official/ employee of SBI and aged around \_\_\_\_ years residing at \_\_\_\_\_

(place) and presently drawing pension from \_\_\_\_\_ Branch of SBI, as “Second Party”.

WHEREAS State Bank of India expressed its desire to empanel retired officers/ employees of State Bank of India as “Marketing Consultants” on contract basis for periods renewable from time to time subject to fulfillment of eligibility criteria laid down in this regard for marketing “Home Loan Applications”.

AND whereas Shri/Smt/Kum. \_\_\_\_\_ retired official/ employee evinced interest in offering his/her services as Marketing Consultant on contract basis and submitted application for empanelment as per the eligibility criteria.

NOW this Agreement witnesseth as follows:-

- i) The First Party hereby agrees to engage the services of Second Party the retired official/ employee as Marketing Consultant for sourcing Home Loan Applications on contract basis without prejudice to his/her pension.
- ii) The period of engagement of Marketing Consultants on contract basis is for a period of six months. The contract of service may renewed for further period of six months each at a time on satisfactory completion of contract period of six months and depending on his/her suitability and also as per the requirement of the Bank in this regard.

- iii) The Agreement can be terminated by either party to the contract by giving one month's Notice in writing duly acknowledged by the other.
- iv) The Marketing Consultants are entitled for payment of fees at the rate of 0.25% of the loan amount with a cap of Rs.10,000/- per loan which is booked, sanctioned and disbursed subject to tax deduction at source (TDS).
- v) The Marketing Consultants are not entitled for any salary/ allowance/ out of pocket expenses etc.
- vi) The Marketing Consultants are bound to reach minimum monthly target of five Home Loans per month, and if they fail to reach the minimum target in a particular month, the number booked in that month will be rolled over to the next month and added to next months performance with a minimum target of 10 loans for two months.
- vii) If the target of 10 loans for two months is not achieved his/her contract may not be renewed further at the discretion of the AGM (Region).
- viii) The Marketing Consultants are entitled for identity card issued by the Bank as a proof of identity to act as Marketing Consultants of the Bank for the period mentioned therein. After expiry of the validity period, the Marketing Consultants has to surrender the same to the Bank. In case of renewal of contract, a fresh identity card should be obtained containing the period of validity.
- ix) The Marketing Consultants agree not to use Bank's name or logo on their sign boards, name-plates, visiting cards, stationery, etc.
- x) The Marketing Consultants agree to market Home Loan Applications for the Bank. He/She has to operate from his/her residence and is not entitled to

claim reimbursement of cost incurred towards phone, furniture, computer, space, etc.

- xi) Mere booking of the Home Loan will not entitle the Marketing Consultant for claiming the fee. The Marketing Consultant is entitled to claim fee with regard to those booked loans which are subsequently sanctioned and disbursed by the Bank.
- xii) Initially the services of Marketing Consultants will be utilized for marketing of Home Loans. However, depending on Bank's experience with their performance, the Marketing Consultants may be given the task of marketing for other products of the Bank also.

Both parties to this Agreement hereby convey their consent to abide by the terms and conditions of the Agreement and as a token of their free consent set their hand below on \_\_\_\_\_ (date) at \_\_\_\_\_.

State Bank of India, Zonal Office

(\_\_\_\_\_ represented by \_\_\_\_\_)

**(SIGNATURE)**

Name of the Marketing Consultant

**(SIGNATURE)**

(Draft of the letter to be addressed to the selected SBI Home Loan Counselors)

To,

Mr / Ms / M/s .....

.....

.....

Ref :

Date:

Dear Sir/Madam,

**SBI HOME LOAN COUNSELOR**  
**EMPANELMENT**

With reference to your interaction with us on ....., we are pleased empanel you as SBI Home Loan Counselor (SBI HLC) on the terms and conditions laid down in this letter.

2. SBI Home Loan Counselor is expected to

- (i) obtain and provide leads to the Bank from various sources viz. builders, municipal approvals etc., on Home Loan requirements of individuals,
- (ii) meet prospective Home Loan customers at a place and time convenient to them and explain the latest Home Loan product details to them,
- (iii) help the customer in filling in the application and obtain all the requisite documents, and deliver these to this Branch, for further processing,
- (iv) follow up the application till sanction or other logical conclusion.
- (v) work within the framework of *Code of Conduct and Responsibility* enclosed at *Annexure /HL.-Za* to this letter.

3. A service fee @ 0.25% of sanctioned loan amount (including loan sanctioned by the Bank for funding of premium of Home Loan Insurance Policy) subject to a maximum of Rs.10,000/- per loan sourced by you and disbursed by the Bank will be payable to you by the Bank on first disbursement of the loan. Taxes, if any, applicable on the fees will have to be borne by you and the tax will be deducted at source from the payable fees



as per rules applicable from time to time. Fees will be paid by crediting your bank account/account payee cheque.

Fees will not be payable to you in cases where Bank is obliged to pay remuneration to other persons/ parties under any other arrangement, for the same loan proposal. You will not be eligible for any fee in the case of customers who have directly approached the Bank on their own.

4. Please note that the Bank will not provide any office or office space to you for this purpose. You will have to arrange for your work place at your own cost and maintenance expenses.

5. Your empanelment with Bank is as a service provider only and it does not create any employer-employee relationship. You, your successors or assigns, will have no right to claim any employment or benefit of employment whatsoever from the Bank.

6. Please note that your empanelment will be for a period of **6 months**, which may be terminated by either party by giving one week's notice. It can also be terminated by the Bank at any time if your performance is found contrary to the Bank's instructions or if you are found to perform any action detrimental to Bank's interest. In the event of premature termination /expiry of your empanelment you will have to immediately surrender the identity card issued by the Bank to this office. Extension of your engagement with the Bank will depend on your performance in the activity / services allotted to you and necessity of your services to the Bank.

7. While no minimum business target has been stipulated per month, you are expected to bring in about 5 proposals totaling to Rs.1 Crore per month. If you do not bring in a minimum business of Rs.2 Crores in 6 months, your empanelment shall stand terminated automatically.

8. Branch Manager shall be the final deciding authority for resolution of any dispute/clarification regarding payment of fee, terms of empanelment etc., and the decision taken by him shall be final and binding on you.

9. In token of your having accepted the offer on the terms and conditions stipulated, please return the duplicate copy of this letter duly acknowledged within fifteen working days from the date of this letter.

Yours faithfully,

Branch Manager

Encl: a/a.

I have read and understood the contents of this letter and the Annexure mentioned therein.

I accept the terms and conditions laid down for my empanelment as SBI Home Loan Counselor.

I enclose my resume containing my residential address, contact number, and bank account details for your information and record.

Signature of the applicant.

Name in full :

Date :

Place :

### **SBI Home Loan Counselors (HLCs) - Code of Conduct and Responsibilities**

- (i) HLC shall prominently display the Identity Card issued to him by the Bank while dealing with the prospective customer (prospect) on behalf of the Bank.
- (ii) HLCs should handle with care their responsibilities particularly aspects like soliciting customers, hours of calling, privacy of customer information and conveying correct information about products on offer, etc.
- (iii) HLCs will not handle, on behalf of the Bank, any transaction for which they are not authorized as per the agreement.
- (iv) HLCs should not resort to intimidation or harassment of any kind, either verbal or physical, against any person while dealing on behalf of the Bank. HLC will refrain from action that could damage the integrity and reputation of the Bank.

#### **DOs**

##### **Every HLC shall -**

- (a) Adhere to extant instructions as specified in Bank's fair practice code for lending.
- (b) Disseminate requisite information in respect of products offered by the Bank through him and take into account, the needs of the prospect while recommending the specific product.
- (c) Render necessary assistance to the prospect in complying with requirements for transacting business with the Bank.
- (d) Not enter the prospect's residence / office against his / her wishes.
- (e) Respect the prospect's privacy.
- (f) If the prospect is not present and only family members / office persons are present at the time of the visit, end the visit with a request for the prospect to call back.
- (g) Provide his / her telephone number or the concerned Bank office's contact details, if asked for by the customer.
- (h) Limit discussions with the prospect to the business on hand - Maintain a professional distance.
- (i) Any communication sent to the prospect should be only in the mode and format approved by the Bank.

(j) Normally discuss the prospect's interest only with the prospect or any other individual / family's accountant / Secretary / spouse authorized by the prospect.

(k) Be properly dressed.

### **Don'ts**

#### **HLC shall not -**

(a) Solicit or procure any business without holding valid authority for this purpose.

(b) Induce the prospect to omit any material information.

(c) Induce the prospect to submit any wrong information or documents.

(d) Behave in a discourteous manner with the prospect.

(e) Offer different rates, advantages, terms and conditions other than those offered by the Bank.

(f) Mislead the prospect on any service / product offered.

(g) Mislead the prospect about their business or organization's name, or falsely represent themselves.

(h) Make any false / unauthorized commitment on behalf of the Bank for any facility / service.

(i) Accept gifts or bribes of any kind from the prospects. If offered a bribe or payment of any kind, he/she must report the offer to his/her management.

(j ) Share any customer information, in any form whatsoever, with any other person / entity.

(k) Violate this code.

(l) Use professional status as SBI HLC for furthering personal relations with the customers.

(m) Divulge unauthorized information, written or spoken, to any customer or any other person.

(n) Use obscene, profane or abusive language and / or hold out any threats.

(o) Use violent or any criminal means which may harm the reputation or property of the borrower, guarantor or any other person.


(p) Act in any manner which will affect the reputation of the Bank.

## Format of Identity Card for SBI Home Loan Counselor

Identity Card must be laminated

### Front Side

### Back Side

 <p><b>NON-EMPLOYEE IDENTITY CARD</b></p> <p><b>SBI HOME LOAN COUNSELOR</b> (EMPANELLED WITH SBI _____ BRANCH)</p> <p>Valid Till - (date in bold letters)</p> <p>NAME - (Full name in <b>BOLD CAPITAL</b> Letters )</p> <div style="border: 1px solid black; width: fit-content; margin: 10px auto; padding: 5px;"> <p>Latest stamp size photograph</p> </div> <p>Signature of Card Holder</p> <p>(Warning -This card has been issued only for the purpose of identification while providing Home Loan Counseling Services on behalf of State Bank of India during the validity period mentioned above. Card holder is <b>NOT AN EMPLOYEE of State Bank of India.</b> He /She has been empanelled with SBI for providing Home Loan Counseling services to customers. Use of this card for identification at other places is prohibited by State Bank of India.)</p> <p><b>Signature of Branch Manager</b></p>	<p>HLC No. - (Year / Running No. as per HLC Register)</p> <p>Telephone No. of the Card Holder -</p> <p>Issued by State Bank of India, _____ Branch.</p> <p>Full Address of the Branch</p> <p>Telephone No. of the Branch</p> <p>Date of Issue -</p>
--	---

**Format of HLC Empanelment Register**

Date	Financial Year of empanelment	HLC No.	Name of HLC	Address of HLC	HLC Contact No.	Date upto which empanelment is valid	Business Sourced during empanelment		Commission Paid to HLC during empanelment	Date of renewal/termination of empanelment.(In case of renewal please make a fresh entry in the register. Original Financial Year of Empanelment and HLC No.to be retained at the time of renewal of live empanelment.)		
							No. of cases	Amount (Rs.Lac)		Renewal	Termination	
											Date	Whether I'Card surrendered ?

Control cards on the following format should be compiled in respect of all Home Loan Accounts and maintained in serial order in a separate file till full disbursement and alongwith security documents thereafter, for facilitating verification by the Inspecting Officials/Controllers etc.

A/c. No.	
Name of the borrower(s)	(i) Shri/Smt./Kum (ii) Shri/Smt./Kum.
Contact Number	Office : Residence: Mobile No. E mail add:
Purpose	
Loan amount	Rs.
Date of sanction	
Details of property	Land admeasuring .....in Sy.No....at.....(location of property)
	Building No.... at.....(address of the building)admeasuring..sq.ft. (single/two storeyed building)
	Flat No.....at.....(address of flat) including undivided share of land.....(area of undivided share of land)
Land mark for identification of property	
Lawyer's report	Advocate Dated
Valuation report	Advocate Dated
Project cost	Rs.
E.M. Recital folio No.	
Insurance policy & Insurance Reg. folio No.	Rs. valid upto
Documents due for revival on	
Collateral security	
Name of Guarantor and NetWorth	Shri/Smt./Kum.
Pre-sanction survey conducted by	Asst./Dy.Manager (Advances)/Manager (PBD)
Pre sanction survey conducted at	<ol style="list-style-type: none"> <li>1. Borrower's residence on : (verified the proof of residence and proof of identity and found them to be in order.)</li> <li>2. Borrower's office*/work place on:</li> <li>3. Proposed property on :</li> <li>4. Guarantor's residence on*: (* if the Sanctioning Authority deems it necessary)</li> </ol>

Comments of the official			
Signature of the official			
Date of engineer's certificate regarding stage completion	Date of request for stage-wise disbursement	Date of inspection	Signature and comments of the official on the present stage of construction and other remarks
Final Completion certificate obtained from the engineer : Yes/No	Photograph of the property obtained Yes/No		
Inspection after final completion (before final disbursement)	Date	By	Signature
Comments of the official regarding completion of construction as per plans and approvals submitted to the Bank			
<b>Post sanction inspection</b>			
Date	Signature of inspecting official	Remarks	



**SPECIMEN OF LETTER FORWARDING DEMAND DRAFTS/BANKER'S  
CHEQUES TO BUILDERS/ URBAN DEVELOPMENT AUTHORITY/HOUSING  
SOCIETY/SELLER**

**Registered AD**

M/s/Mr./Mrs/Kum.....

.....

.....

Dear Sir,

**REFERENCE : YOUR ALLOTMENT LETTER NO.**

**.....DATED...../AGREEMENT OF SALE DATED .....**

With reference to your Allotment letter No.....dated.....allotting  
.....(details of plot of land) in.....(name  
and address of the project)/Agreement of Sale dated the..... for sale of  
.....(details of plot of land/flat/house proposed to be sold under  
the agreement), we forward herewith on behalf of  
Shri/Smt./Kum..... our cheque/demand draft  
No.....dated.....for Rs.....(Rupees .....only), drawn  
in your favour for credit of your Account No..... maintained  
with.....(Name of Bank).....(Name of Branch) being the cost  
of plot of land/flat/house allotted/proposed to be sold to  
Shri/Smt./Kum.....as per details furnished above. Please forward  
to us your stamped receipt for the amount immediately on receipt.

2. Please note that the amount is to be appropriated specifically towards the cost of  
plot of land allotted/flat/house to be sold as above and should not be appropriated  
by you towards or set off against any other debit or liability due or owing to you by  
Shri/Smt./Kum.....(Name of the borrower). Please note that  
the Bank will have the right to call back the amount if you fail to complete the  
formalities for allotment/sale of the plot of land/flat/house including registration  
formalities on receipt of the proceeds of our cheque/demand draft mentioned above.  
If the proposed allotment/sale of plot of land/flat/house fails to materialize within a  
reasonable time, for reasons whatsoever, you should arrange to return our  
cheque/demand draft directly to us immediately. Further, refunds, if any, including  
any payment towards interest etc. should be made by means of crossed  
cheque/demand draft favouring Shri/Smt./ Kum.....Loan  
Account No.....State Bank of India,.....(Branch) and forwarded  
directly to us.

3. Please note to advise us full particulars of allotment of plot of land/flat/house/sale  
of plot of land as above on completion of registration of the property in the name of  
Shri/Smt./Kum.....

Yours faithfully,

Branch Manager

**PERSONAL BANKING : HOME LOANS****CONTROL REPORT:****i) LOAN AMOUNT Rs.****(ii) DATE OF SANCTION :****SHRI/SMT./KUM.....AND****SHRI/SMT./KUM.....**

I advise having sanctioned a Home Loan of Rs..... (Rupees.....only) to the above borrower (s) under Regular/ 'SBI-Realty'/ 'SBI-Flexi'/ 'SBI-Maxgain'/ NRI/ 'Gram Niwas'/ .....Plus'(name the 'Plus' scheme) Home Loan scheme, as per details furnished below :

(Rs. in lacs)

Name of the Borrower(s)	1.Shri/Smt./Kum.....(Age :.... Yrs.) (Net Worth Rs.    l) 2.Shri/Smt.Kum..... (Age:.... Yrs) (Net Worth Rs.    )
Occupation/Profession/ Activity	1. 2.
Name of the Guarantor (if applicable)	Shri/Smt.Kum..... (Age:.... Yrs) (Net Worth Rs.    )
Purpose (tick whichever is applicable)	(i) Purchase/construction of new house/flat (ii) Purchase of an existing house/flat (age of house/flat :    years) (iii) Repairs/renovations of an existing house/flat, (iv) Extension of existing house (v) Purchase of a plot of land for construction of house (vi) Purchase of furnishings/consumer durables as part of project cost (vii) Take-over of Home Loan from.....
Details of property proposed to be purchased/ constructed / taken-over(relevant particulars to be filled in)	Land                   admeasuring.....in                   Sy.No. ....at.....(location of property)  Building No.....at.....(address of the building) admeasuring .....sq.ft (single/multi storeyed)  Flat No.....at .....(address of flat) including undivided share of land.....(area of undivided share of land)
Project Cost	Cost of land                   : Rs. Cost of construction       : Rs. Cost of purchase            : Rs. Stamp duty & registration expenses.     : Rs.

	Pre-EMI capitalization : Rs. Present o/s (in case of take over) Total : Rs.
Margin	Rs. ( .... %)
Upfront premium, if any, payable to SBI Life for Optional Group Insurance Cover Pre-EMI interest proposed to be capitalized, if any	Rs. Rs.
Maximum eligibility based on project cost	Rs.
Net Monthly Income/Net Annual Income (Source to be mentioned i.e. Salary Certificate for .....(month)/ I.T.Return for Ass. Yr: Proof of other income etc.	<ul style="list-style-type: none"> <li>• Rs.</li> <li>• (source : .....)</li> </ul> 2. Rs. (source :.....) Total Rs.
Maximum eligibility based on income	Rs. (...times of NAI/NMI)
Amount of Loan	Rs.
Pre-sanction inspection	By Asst. Manager (Adv.) /Manager (PBD) on.....and entry made in Inspection Register.
Disbursement (tick the relevant portion)	<p>a) Direct to builder in lump sum/in stages by issue of 'Account Payee' Banker's cheque favouring. the builder, duly incorporating account no. and name of banker of the builder, directly/will be directly dispatched to the builder by registered/speed post.( in case of purchase/construction of flats)</p> <p>b) Credit of loan proceeds to the SB/CA account in stages based on actual progress in construction, submission of certificate from the Engineer, receipts etc.</p>
Rate of interest	.....above Base Rate i.e. .% p.a.(fixed or/and floating) at monthly rests
Repayment (delete whichever is not applicable)	In.....EMIs of Rs. (actual amount) each commencing one month after disbursement/....months after first disbursement or two months after completion of construction, whichever is earlier
EMI/NMI ratio (%)	(%)
Mode of repayment	Check-off/post dated cheques
Pre-EMI interest	(i) Will be serviced at monthly intervals (PDCs obtained covering the

	<p>moratorium period) (ii) Proposed to be capitalized</p>
Processing fees	<p>.....% i.e. Rs. recovered on :</p>
Details of security	<p>Equitable mortgage of...(area of land) in Sy. No. (address of property ) and building No...../under construction/ Flat No. ....at ....(address of flat) with undivided share of land..... (area) in the name of Shri/Smt./Kum..... and Shri./Smt./Kum.....conservatively valued at Rs. by empanelled valuer on.... (Search conducted by empanelled lawyer on...</p>
Collateral security (furnish full details)	
Interim Security, if any (furnish full details)	
Interim guarantee	Shri. (Net worth : Rs. )
Opinion report compiled on borrower(s)/guarantor based on Assets & Liabilities statement dt..)	Yes
Documents obtained(delete the item not applicable)	<p>1. Application dt. 2. Salary certificate/I.T&gt;Returns/other proof of income -..... (furnish details) 3Form 16/I.T&gt;Returns of borrower/guarantors 4.Title/Sale Deed/Agreement of Sale/allotment letter/Non encumbrance certificate for 13 years/land tax receipt/building tax receipt/possession certificate 5. Lawyer's report dt. 6. Valuation report.dt. 7. Arrangement letter dt. 8. Home Loan Agreement dt. 9. Guarantee Agreement dt. 10. Agreement to Mortgage dt.* (we note to follow up the matter to ensure creation of equitable mortgage in time)</p>
Insurance	<p>Insured/will be insured on completion of construction of house/flat. against risk of fire, riot, earthquakes, lightning, floods etc. for the full market value of the property or limit sanctioned, whichever is higher, in the joint names of the borrower and the Bank</p>
Confirmation regarding adherence to KYC norms	Adhered to

CRA rating and present position of existing accounts, if any (i.e. purpose, facility, date of sanction, limit, DP, o/s and irregularity)	
--	--

We note to obtain and keep on record the original receipts from the builders/suppliers/contractor in respect of payments made to them. We note to disburse instalments only after obtaining Engineer's certificate regarding stage-wise progress of construction based on site inspection.

Submitted for control, please.

Yours faithfully,

Branch Manager/Chief Manager/Asst. General Manager

**PROPOSAL FORMATS FOR CONCESSIONS / RELAXATIONS****TIE-UP WITH BUILDERS****PROPOSAL SEEKING CONCESSION IN INTEREST RATES AND/OR  
RELAXATION IN OTHER TERMS**(Please arrange to e mail the proposal with enclosures to : [agm.homeloans@sbi.co.in](mailto:agm.homeloans@sbi.co.in))

<b>Branch</b>	
<b>Circle</b>	

\_(Rs. in cr.)

<b>Sl.N o.</b>	<b>Parameter</b>	<b>Particulars</b>
1	Name of the Builder and address(including website address, if any)	
2	Name of the project and location	
3	Whether new tie-up or renewal of MOU	
4	Year of establishment	
5	Constitution	Pvt. Ltd. /Public Ltd. Co.
6	Comments regarding due diligence and approval of builder, as per extant instructions	
7	Status of search report certifying clear, absolute and marketable title of the builder	
8	Status of receipt of approvals from Local Bodies/Urban Development Authority	
9	Whether the builder has incurred any losses during the last 3 financial years	
10	Highlights of the builder/project i.e.CRISIL/ICRA rating	

	of the project/builder, ISO Certification etc.			
11	Details of Credit facilities, if any, availed by the builder for execution of the above project.	Name of the Bank/ Financial Institution	Details of Credit Facility	
			Type	Date of sanction
12	Whether the above project is fully funded, so that the builder will not face any financial crunch to complete the project in the stipulated time schedule.			
13	Details of the past / present/ future projects of the builder			
14	Whether the builder had completed their earlier projects with in time schedule. If not period of delay and reasons for the delay			
15	Length of existing relationship			
	<b>Existing Connection</b> Details of Fund Based and Non Fund Based limits, if any, enjoyed with our Bank	Name of the Branch		
		Fund Based		
		Non Fund Based		
	CRA rating			
	IRAC classification			
	Deposit Connections	Demand Deposits		
		Term Deposits		
16	Business booked under the existing tie-up arrangement	Name of the project	Anticipated business potential	Actual business booked during the last year

		Total			
17	<b>Proposed Concessions / Relaxations</b>				
	<b><u>Interest Rates</u></b>	Card Rates / Extant norms		Proposed concessions / Relaxations	
18	<b><u>Interest rates quoted by our competitors</u></b>	Name of the Bank		Interest rates quoted	
		i. ii. iii.			
19	Brief details of the Project.	Type of flat/house	No. of flats/house	Average price per flat/house	Total
				Total project value	
20	Anticipated business				
21	Brief comments on opportunities for cross-selling of SBI Cards/ SBI Mutual Fund Schemes/SBI Life insurance products/ Other P-segment Loan products e.g. Car/Education/ Personal Loans/Deposit products				
22	Mode of repayment	Check-off facility/post-dated cheques			
23	<b><u>Justification for the concessions proposed and recommendations</u></b>				



24	It will be ensured that the concessions proposed under the above tie-up will not be clubbed with concessions available under 'Plus' Schemes, tie-ups with Builders, special pricing structure for High Value Housing Loans, festival/mega bonanza offers, fairs/exhibitions/other promotional campaigns etc. All other terms and conditions of the Scheme will be complied with.
----	--

Chief General Manager

State Bank of India,  
Local Head Office,  
.....

Date :

**HIGH VALUE HOME LOANS**

**PROPOSAL SEEKING CONCESSION IN INTEREST RATES AND/OR  
RELAXATION IN OTHER TERMS**

(Please arrange to e mail the proposal with enclosures to : agm.homeloans@sbi.co.in)

<b>Branch/RACPC</b>	
<b>Circle</b>	

\_(Rs. in cr.)

Sl.No.	Parameter	Particulars					
1	Name of the prospective borrower						
2	Resident/Non-Resident/Person of Indian Origin						
3	Profession/Occupation						
4	Whether new/existing customer						
5	Brief profile on the borrower including value of existing connections						
6	Length of existing relationship						
7	<b><u>Existing Connection</u></b> Details of Fund Based and Non Fund Based limits, <u>if any</u> , enjoyed by the firms/companies in which the borrower is a director/partner with our Bank	Name of the Branch					
		Fund Based					
		Non Fund Based					
		CRA rating					
		IRAC classification					
		Deposit Connections		Demand Deposits			
				Term Deposits			
	Details of existing P-segment loans, if any	Facility	Date of sanction	Limit	EMI	IRAC status	

8	Purpose		
9	Full details of property to be purchased /constructed. i.e. Location, area in sq.ft, Vulue in Rs. per sq.ft. etc.,		
10	Whether the proposed house is applicant's first house, if not, give details.		
11	Brief details of proposed loan	Project cost	
		Less Margin ( %)	
		Loan eligible	
	Net Monthly Income (NMI)/Net Annual Income (NAI)		
	EMI/NMI Ratio	EMI towards existing loan(s) : Rs. EMI towards proposed loan : Rs. Total EMI : Rs.	
	Rate of Intetrest		
	Repayment period		
	Mode of repayment	Check-off facility/ post-dated cheques	
12	<b>Proposed Concessions / Relaxations</b>		
	Parameter	Card Rates /Extant norms	Concessions / Relaxations sought
13	<b><u>Justification for the concessions proposed and recommendations</u></b>		
14	It will be ensured that the concessions proposed under the above tie-up will not be clubbed with concessions available under 'Plus' Schemes, tie-ups with Builders, special pricing structure for High Value Housing Loans, festival/mega bonanza offers, fairs/exhibitions/other promotional campaigns etc. All other terms and conditions of the Housing Loans will be complied with		

Chief General Manager

State Bank of India,  
Local Head Office,  
.....

Date :

**Under Certificate of Posting**

**State Bank of India**  
.....**Branch**

**Shri/Smt./Kum.....**  
.....

No.

Dated :

Dear Sir/Madam,

**Your.....Loan A/c No.....with us**

Please refer to your above loan account with our Branch.

2. With a view to discourage irregularity/overdues in loan account either on account of non payment of EMI for whatever reason or outstandings in the overdraft account exceeding the drawing power, it has been decided to levy enhanced interest rate (hereinafter referred to as " penal rate of interest") at the following rates.

i) Term Loans/Demand Loans

Penal interest @2% on the overdue amount for the period of default, over and above the applicable rate will be charged if the EMIs remain unpaid for a period of 30 days from the due date, for any areason, including a bounced cheque.

ii) Overdrafts:

In the case of an overdraft account, penal interest @2% on the overdue amount for the period of default, over and above the applicable rate will be charged from the day the account is rendered irregular.

3. Accordingly, we request you to ensure that your loan account (s) with us do not become irregular, for any reason whatsoever.

Yours faithfully,

AGM (RACPC) / Branch Manager.

**Under Certificate of Posting**

**State Bank of India**  
.....**Branch**

**Shri/Smt./Kum.....**  
.....

No.

Dated :

Dear Sir/Madam,

**Your.....Loan A/c No.....with us**

Equated Monthly Instalment (EMI) for the month of.....in respect of your captioned account, which was due on.....(date) has not yet been remitted, which resulted in irregularity in your account\*

Your above overdraft account became irregular on..... (date)\*

2. As you are aware, irregularity in the account attracts a penal interest @ 2% on the overdue amount for the period of default. With a view to avoid penal interest, please arrange to deposit an amount of Rs. (\*Amount of EMI/ or irregularity) on or before.....(date) failing which penal interest @ 2% on the overdue amount will be levied, over and above the applicable rate of interest, for the period the account remains irregular.

Yours faithfully,

AGM (RACPC) / Branch Manager

\* delete whichever is not applicable



Date

(.....)  
Signature of the Customer.

Certified that the particulars furnished above are correct as per our records.

(Bank's Stamp)

Date  
Bank

.....

Signature of the Authorized official from the

(Note:- Mandate to be obtained in 3 copies, Original for Bank, One for User Co and other for customer)

### SBI Home Loans

SBAR as on 17.08.2010 = 12.25% p.a.

Base Rate w.e.f. 1<sup>st</sup> July 2010 = 7.50% p.a.

**1. New Home Loans under normal vanilla Home Loan product where rates are fixed or floating *ab initio* throughout the loan term.**

**a) Floating Interest Rate with effect from 1<sup>st</sup> July 2010 :**

(Base Rate=7.50% p.a.)

Loan amount	Loan Tenure	Upto 5 years	Above 5 years and upto 15 years	Above 15 years and upto 25 years
Loans upto Rs.30 lacs	Linkage with Base Rate	1.75% p.a. above Base Rate	2% p.a. above Base Rate	2.25% p.a. above Base Rate
	Current Effective Rate	9.25% p.a.	9.50% p.a.	9.75% p.a.
Above Rs.30 lacs and upto Rs.75 Lacs	Linkage with SBAR	2.25% p.a. above Base Rate	2.50% p.a. above Base Rate	2.75% p.a. above Base Rate
	Current Effective rate	9.75% p.a.	10.00% p.a.	10.25% p.a.
Above Rs.75 Lacs	Linkage with SBAR	2.25% p.a. above Base Rate	2.50% p.a. above Base Rate	3.00% p.a. above Base Rate
	Current Effective rate	9.75% p.a.	10.00% p.a.	10.50% p.a.

**b) Fixed Interest Rates : For new loans and loans due for interest rate reset:**

<b>Fixed rates</b> (subject to ' <i>force majeure</i> ' clause and interest rate reset at the end of every <b>two</b> years on the basis of fixed interest rates prevailing at that time)	
Upto 10 years w.e.f. 01.07.2010	Currently 10.75%. p.a for loans upto Rs.30 Lacs, i.e. 3.25% above Base Rate as on the date of reset. Currently 11.75% p.a. for loans above Rs.30 Lacs, i.e. 4.25% above Base Rate as on the date of reset.

**c) LOANS FOR DEPOSIT OF EARNEST MONEY FOR ALLOTMENT OF A PLOT / HOUSE / FLAT (Floating rates only) - W.E.F. 01.07.2010 - 5.25% above Base Rate, present effective rate being 12.75% p.a.**

**2. Risk Based Premium/Discount (No change in extant instructions) -Risk Based Discount is deducted and Premia added to the above mentioned card rate as under depending on the Risk Perception measured in terms of LTV ratio and EMI/NMI ratio**

-



**a) Risk based interest rate discounts (concessions)/premium for loans upto Rs.75 Lacs**

Margin	EMI/NMI ratio				
	Less than 40%	40%	Above 40% and upto 50%	Above 50% and upto 60%	Above 60%
40% or above	Concession 0.25%	Concession 0.20%	Concession 0.20%	Concession 0.15%	Premium of 0.10%
Above 20% to less than 40%	Concession 0.15%	No concession/ no premium	No concession/ no premium	No concession/ no premium	Premium of 0.15%
20%	Concession 0.10%	No concession/No Premium	No concession/No Premium	Premium of 0.10%	Premium of 0.20%
Less than 20%	Premium of 0.25%	Premium of 25%	Premium of 0.25%	Premium of 0.25%	Premium of 0.25%

**b) Risk based interest rate discount (concessions)/premium for loans above Rs.75 Lacs**

Margin	EMI/NMI ratio				
	Less than 50%	50%	Above 50% and upto 60%	Above 50% and upto 60%	Above 60%
50% or above	Concession 0.25%	Concession 0.20%	Concession 0.20%	Concession 0.15%	No concession/No premium
Above 25% to less than 50%	Concession 0.20%	Concession 0.15%	Concession 0.10%	No concession/No premium	Premium 0.15%
25%	Concession 0.10%	No concession/No premium	No concession/No premium	No concession/No premium	Premium 0.20%
Less than 25%	Premium 0.25%	Premium 0.25%	Premium 0.25%	Premium 0.25%	Premium 0.25%

## **SBI Home Plus**

- I) **Category - Public** - “SBI Home Plus loans will continue to be sanctioned on *floating interest rate only*. SBI Home Plus will carry the same interest rate (Card rate without any concessions/premium) which is applicable to the sanction of a new Home Loan with limit and tenor matching the underlying Home Loan of the borrower, on the date of sanction of SBI Home Plus loan.”
- II) **Category - Staff and SBI Pensioners** - “SBI Home Plus loans will continue to be sanctioned on floating interest rate only. SBI Home Plus will carry the same interest rate (Card rate without any concessions/premium) which is applicable to the sanction of a new Home Loan with limit and tenor matching the underlying Home Loan to Staff for Housing Loan on commercial terms, on the date of sanction of SBI Home Plus loan.

## **SBI Reverse Mortgage Loan**

**Public - 10.75% p.a.** (Fixed) subject to reset every 5 years. (No change in extant instructions)  
Loan will be reset at 3.25% above the Base rate prevailing on the date of reset.

**SBI Pensioners** - Concessional interest rate of 1% below the interest rate applicable to public.  
(No change in the extant instructions.)

\*\*\*\*\*

Int Rate	SBI Home Loans - EMI Chart per Rs.1 Lac (EMI in Rs.)												
	Number of Months --- -->												
65	12	24	36	48	60	72	84	96	108	120	180	240	300
4.00	8515	4342	2952	2258	1842	1565	1367	1219	1104	1012	740	606	528
4.25	8526	4354	2964	2269	1853	1576	1378	1231	1116	1024	752	619	542
4.50	8538	4365	2975	2280	1864	1587	1390	1242	1128	1036	765	633	556
4.75	8549	4376	2986	2292	1876	1599	1402	1254	1140	1048	778	646	570
5.00	8561	4387	2997	2303	1887	1610	1413	1266	1152	1061	791	660	585
5.25	8572	4398	3008	2314	1899	1622	1425	1278	1164	1073	804	674	599
5.50	8584	4410	3020	2326	1910	1634	1437	1290	1176	1085	817	688	614
5.75	8595	4421	3031	2337	1922	1646	1449	1302	1188	1098	830	702	629
6.00	8607	4432	3042	2349	1933	1657	1461	1314	1201	1110	844	716	644
6.25	8618	4443	3054	2360	1945	1669	1473	1326	1213	1123	857	731	660
6.50	8630	4455	3065	2371	1957	1681	1485	1339	1225	1135	871	746	675
6.75	8641	4466	3076	2383	1968	1693	1497	1351	1238	1148	885	760	691
7.00	8653	4477	3088	2395	1980	1705	1509	1363	1251	1161	899	775	707
7.25	8664	4489	3099	2406	1992	1717	1522	1376	1263	1174	913	790	723
7.50	8676	4500	3111	2418	2004	1729	1534	1388	1276	1187	927	806	739
7.75	8687	4511	3122	2430	2016	1741	1546	1401	1289	1200	941	821	755
8.00	8699	4523	3134	2441	2028	1753	1559	1414	1302	1213	956	836	772
8.25	8710	4534	3145	2453	2040	1766	1571	1426	1315	1227	970	852	788
8.50	8722	4546	3157	2465	2052	1778	1584	1439	1328	1240	985	868	805
8.75	8734	4557	3168	2477	2064	1790	1596	1452	1341	1253	999	884	822
9.00	8745	4568	3180	2489	2076	1803	1609	1465	1354	1267	1014	900	839
9.25	8757	4580	3192	2500	2088	1815	1622	1478	1368	1280	1029	916	856
9.50	8768	4591	3203	2512	2100	1827	1634	1491	1381	1294	1044	932	874
9.75	8780	4603	3215	2524	2112	1840	1647	1504	1394	1308	1059	949	891
10.00	8792	4614	3227	2536	2125	1853	1660	1517	1408	1322	1075	965	909
10.25	8803	4626	3238	2548	2137	1865	1673	1531	1421	1335	1090	982	926
10.50	8815	4638	3250	2560	2149	1878	1686	1544	1435	1349	1105	998	944
10.75	8827	4649	3262	2572	2162	1891	1699	1557	1449	1363	1121	1015	962
11.00	8838	4661	3274	2585	2174	1903	1712	1571	1463	1378	1137	1032	980
11.25	8850	4672	3286	2597	2187	1916	1725	1584	1476	1392	1152	1049	998
11.50	8862	4684	3298	2609	2199	1929	1739	1598	1490	1406	1168	1066	1016
11.75	8873	4696	3310	2621	2212	1942	1752	1612	1504	1420	1184	1084	1035
12.00	8885	4707	3321	2633	2224	1955	1765	1625	1518	1435	1200	1101	1053
12.25	8897	4719	3333	2646	2237	1968	1779	1639	1533	1449	1216	1119	1072
12.50	8908	4731	3345	2658	2250	1981	1792	1653	1547	1464	1233	1136	1090
12.75	8920	4742	3357	2670	2263	1994	1806	1667	1561	1478	1249	1154	1109
13.00	8932	4754	3369	2683	2275	2007	1819	1681	1575	1493	1265	1172	1128
13.25	8943	4766	3381	2695	2288	2021	1833	1695	1590	1508	1282	1189	1147
13.50	8955	4778	3394	2708	2301	2034	1846	1709	1604	1523	1298	1207	1166
13.75	8967	4789	3406	2720	2314	2047	1860	1723	1619	1538	1315	1225	1185
14.00	8979	4801	3418	2733	2327	2061	1874	1737	1633	1553	1332	1244	1204
14.25	8990	4813	3430	2745	2340	2074	1888	1751	1648	1568	1349	1262	1223

14.50	9002	4825	3442	2758	2353	2087	1902	1766	1663	1583	1366	1280	1242
14.75	9014	4837	3454	2770	2366	2101	1916	1780	1678	1598	1383	1298	1261
15.00	9026	4849	3467	2783	2379	2115	1930	1795	1692	1613	1400	1317	1281

# **PART - III**

*(Products / Schemes)*

## NRI HOME LOANS

### (HOME LOAN TO NON RESIDENT INDIANS (NRIs) AND PERSONS OF INDIAN ORIGIN (PIOs HOLDING A FOREIGN PASSPORT))

**1. Purpose**

As per Home Loan Scheme

**2. Eligibility**

Individual (s) over 18 years of age with a steady source of income who

- are Non Resident Indians (NRIs) holding a valid Indian passport
- are persons of Indian Origin (PIOs) holding a foreign passport
- Minimum employment tenure i) NRIs, with total work experience of 2 years in India or abroad, who have taken up jobs abroad for better prospects (ii) NRIs with a job contract for a minimum period of 2 years abroad after completion of 6 months in the employment [AGM (Region)/AGM Branch may permit deviation in the Minimum tenure abroad] and presently holding a valid job contract /work permit.
- Indian citizens working abroad on assignments with foreign Governments/ government agencies or International/Regional Agencies like the UNO, IMF, World Bank, working with Merchant Navy etc., Officials of the Central and State Governments and Public Sector Undertakings deputed abroad on temporary assignments or posted to their offices (including Indian Diplomatic Missions) abroad.

**3. Loan Amount:**

**Minimum:**

Rs. 3.00 lacs

**Maximum:**

- 3.1 Maximum permissible loan amount would be determined by EMI/NMI ratio criteria as applicable to regular Home Loans scheme for Resident Indian customers.

Clubbing of income will be permitted as per the norms specified for Home Loan scheme for residents.

- 3.2 Income of the spouse can be considered where

- i) the property is jointly held with the spouse and the spouse is a co-borrower, or
- ii) the property is held in single name and the spouse stands as a guarantor.

- 3.3 Regular income from all sources can be considered to arrive at total eligible loan amount, provided the sanctioning authority is satisfied about the proof of the income.

3.4. Expected Rent accruals:

As many NRIs who stay abroad with their families will be letting out the house/flat proposed to be purchased, expected rental income from the property may be added to NMI/NAI to determine the eligible loan amount, subject to an undertaking by the applicant to credit the rental income to the Home Loan account.

Computation of expected rent accruals

As per Home Loan Scheme.

3.5 Loans for repairs / renovation

The maximum loan amount should be normally limited to Rs.10 lacs. Loans exceeding this amount require prior administrative clearance from the GM of the network, in all cases where sanctioning authority is an official of a lower grade.

3.6 *Furnishings and consumer durables*

Cost of furnishings and consumer durables may be included upto 10% of the project cost with a maximum of Rs.3 lacs *whichever is less*.

3.7 Sanction of Loans / Administrative Clearance

As per Home Loan Scheme

3.8 *Houses / Flats over 15 years old*

As per Home Loan scheme.

4. **Margin**

As per Home Loan scheme.

5. **Security**

(a) Mortgage

Considering the high legal expenses involved, normally equitable mortgage by deposit of title deeds should be obtained. The documents of the landed property/flat/house, etc. should be examined by the Bank's advocate and a search report obtained to the effect that the title is clear and a valid equitable mortgage can be created. However, registered mortgage over property may be obtained in all cases where it is considered necessary by the sanctioning authority, or also where title deeds do not exist.

(b) Other security

As during the course of purchase of a flat in instalments/construction of house, if the security is found to be, not free and adequate, additional security by way of lien over credit balances in deposit accounts, guarantees of third party, resident or non resident etc., will be required. The guarantor should be of adequate means locally or abroad. The additional security/guarantee may be released, at the discretion of the

Bank, after the house/flat is purchased /constructed and equitable mortgage is created in favour of the Bank.

6. **Paripassu/second charge**

No financing to NRIs is permissible on creation of pari passu or second charge over the property except where the first charge noted in favour of HUDCO /HUDA/PUDA etc. for any instrument of payment which is not materialised yet.

7. **Repayment**

7.1. The repayment by way of Equated Monthly Instalments (EMI) will be determined on the basis of the current rate of interest. Repayment of the loan is required to be made by the borrower within a maximum period of (i) 25 years in respect of borrowers aged upto 35 years, (ii) 20 years in respect of borrowers aged 35 years and up to 45 years and (iii) 15 years in respect of borrowers aged 45 years and above, subject to the stipulation that the loan should be liquidated by the age of 60 years or by the age of retirement, whichever occurs earlier.

7.2. Where NRI returns to India to take up a job :

Remaining term can be extended by keeping in view his new NMI in conformity with the Home Loan rephasing policy of the Bank prevailing at the time of loan rephasing.

7.3. As a further measure of liberalisation, Reserve Bank of India, vide their A.P.(DIR Series) Circular No.93 dated the 25<sup>th</sup> May 2004, has allowed the close relatives (as defined under Section 6 of the Companies Act, 1956) of the borrower in India to repay the installment of such loans, interest and other charges, if any, through their bank account directly to the borrower's NRI Home Loan account with the Authorised Dealer (i.e. the Bank).

8. **Moratorium period**

As per Home Loan Scheme

9. **EMI Reset**

- a. As per Home Loan Scheme
- b. All changes in interest rates should be advised to the borrower. Post dated cheques should be prior to the 7<sup>th</sup> of every month. Normally 12 cheques to cover payment of 1 year in advance may be collected in time. The date for collection of further cheques for the next year should be diarised for at least two months in advance. Large stocks of cheque books need not be given to the customer on this score.
- c. Instructions regarding custody and handling of post dated cheques (PDCs) as per Home Loan Scheme.
- d. Should any cheque be received back unpaid from the paying banker for want of sufficient funds, it should be presented for a second time after a maximum lapse of one week. Should it still remain unpaid, action under section 138 of the N.I. act may be initiated.
- e. There is no prepayment fees on amount paid in excess of the EMI.



10. **Rate of Interest**  
As per Home loan Scheme
11. **Processing fees**  
As per Home Loan scheme
12. **In-Principle approval**  
As per Home Loan Scheme
13. **Take-over of Home Loans**  
As there is no restrictive covenant in this regard by RBI, take-over of loans from other Banks/ Housing Finance Companies is permitted, subject to completion of due diligence as per the Take over norms of Home Loan Scheme.
14. **Tie-up with Builders**  
As per Home Loan Scheme
15. **Insurance**  
As per Home Loan Scheme
16. **Inspection**  
As per Home Loan Scheme
17. **KYC Compliance**  
KYC compliance in respect of verification of applicant's residence / office in abroad should be done strictly as per the stipulations laid down in Para 3 (e) of the Cir. IBG /NRI/AKM/76 dated 21<sup>st</sup> April 2006, attached as enclosure at Page No.206.
18. **Documentation**  
As per Home Loan Scheme *plus* Annexures mentioned in Cir. IBG /NRI/AKM/76 dated 21<sup>st</sup> April 2006, attached as enclosure at Page No.206.
19. **Disbursement**  
As per Home Loan Scheme
20. **Employment/Residency Related Documents\* to be submitted along with Application**
  - 20.1 *Photocopies of*
    - Passport and visa stamped on it
    - Valid work permit
    - Employment contract - an English translation duly attested by employer/consulate /our foreign office /Embassy in case it is in any other language
    - Latest salary certificate /slip in original and copy of identity card issued by the current employer
    - Details of previous employment

- Bank account details for the previous 6 months overseas account showing salary and savings and Indian account if any.
- Proof of residence (driving licence, utility bills, etc.)
- Copy of Continuous Discharge Certificate(CDC)-for applicants employed in the merchant navy.
- Proof of income in case of self employed professionals/businessmen.
- Power of Attorney\*,if applicable, as per Bank's specimen- *Annexure-IV* and duly notarized proof of residence.

\* The Power of Attorney preferably restricted to close relatives namely Spouse, Father, Mother, Brother, Sister, Son, and Daughter of the NRI concerned. In extreme cases the Power of Attorney other than his close relatives may be accepted.

After execution of the documents by the duly Constituted Attorney for and on behalf of NRI a written confirmation to be obtained from the NRI concerned by way of a letter confirming execution of the documents by the Attorney including creation of security by way of mortgage-*Annexure-I*

20.2 *Property related documents*  
As per Home Loan Scheme

20.3 *For PIOs*

- i. Current passport indicating birth place in India
- ii. Indian passport, if held earlier
- iii. Parents or grand parents passport with details therein substantiating his claim of being a PIO

21. **Others**

- RACPCs / Branches have to ensure compliance with all guidelines issued under FEMA/by RBI at all times on an on-going basis.

**CIRCULAR**  
**For FOs/ Subsidiaries**

**Enclosure**

IBG/NRI/AKM/76 21th April 2006

**NRI Home Loan**  
**Simplification of Processes**

Growth in the NRI Home Portfolio of our Bank in the past few years is either stagnant or moderate in contrast to the substantial growth registered by the new generation Private Sector Banks and Foreign Banks operating in India.

Even-though, various features of the NRI Home Loan product of our Bank compares favourably with the similar features of the home loan products of our aggressive competitors, no appreciable growth is observed in our NRI Home Loan Portfolio.

In order to popularise our NRI Home loan product and to attain leadership in this market segment, it has been decided to put in place the processes involved in the receipt of application, processing, sanction, documentation and marketing.

**SALIENT FEATURES AND ASSUMPTIONS OF THE SIMPLIFIED PROCESSES**

The salient features and assumptions of the simplified processes are furnished hereunder:

The simplified processes will be implemented at the select RACPCs located at Mumbai, Chennai, Delhi, Hyderabad, Bangalore, Kolkata, Ahmedabad, Thiruvananthapuram and Chandigarh as well as in select foreign offices namely SBI US Operations, London, Male, Bahrain, Singapore and Hongkong and select subsidiaries namely SBI(California) and SBI (Canada).

As the simplified processes will be implemented only in the select RACPCs and select foreign offices and subsidiaries as mentioned above, it is essential that the prospective NRI borrower must be staying in the same locality where the select foreign offices and subsidiaries are located and is willing to construct/purchase/alter/extend the house or purchase the plot in the areas where the select RACPCs are located.

In case the prospective NRI borrower does not maintain either NRE Savings Bank or NRO Savings Bank account in any of the branches (undertaking NRI business) linked

to the select RACPCs ( that is located in the same centre as that of the RACPC ), he may be advised to open the account in any of the said branches ( preferably in the link Core Banking Branch ) prior to sanction of the loan.

The RACPC will undertake the complete process like processing, sanction, execution of the documents, creation of Equitable mortgage and disbursement of loan in case the loan will be parked in a Core Banking branch linked to the said RACPC. In other cases ( i.e. where the loan will be disbursed by a non-Core Banking branch linked to the said RACPC), the RACPC will complete the job upto the stage of creation of Equitable mortgage (as mentioned above in this paragraph) and will send all the documents to the branch concerned for disbursement.

The NRI customers can have the following options for sending the applications for Home loan at the centres, where the select RACPCs are located.

- Send the application directly to the select RACPC.
- Send the application to the select FOs, which will send the same immediately to the select RACPC concerned by courier of international repute after completing KYC compliance.
- Send the application to the link CBS/Non CBS Branch (Undertaking NRI Business) located in the same centre where the select RACPC is located and where he maintains his NRI A/c. On receipt of the application, the said branch will send the application to the select RACPC immediately after completing KYC compliance.
- Submit the application to the link CBS/Non CBS Branch (Undertaking NRI Business) located in the same centre where the select RACPC is located and where he maintains his NRI A/c during his personal visit to India. On receipt of the application, the said branch will send the application to the select RACPC immediately after completing KYC compliance.

The FOs/Subsidiaries should direct the prospective NRI Home Loan borrowers to the select RACPCs for prompt action.

The select RACPC will grant in-principle sanction based on the income and repayment capacity of the prospective NRI borrower.

The NRI Home Loan page has been modified and has been made more comprehensive with linkages to Interest rates, Forms, List of select RACPCs etc.

As the simplified processes will be implemented in select RACPCs and select FOs & Subsidiaries abroad as mentioned above, the detailed processes have been outlined

hereunder. The select RACPCs and select FOs and subsidiaries abroad are advised to follow the same meticulously.

**1. In-principle sanction to be extended by RACPCs**

It has now been decided that RACPCs will extend in-principle sanction as per the extant instructions of the bank based on the income particulars and repayment capacity of the prospective NRI borrower. The step by step processes involved for in-principle sanction by RACPCs are furnished hereunder:

a) The prospective NRI borrowers will download the application from the Bank's website [www.sbi.co.in](http://www.sbi.co.in) or [www.statebankofindia.com](http://www.statebankofindia.com) under NRI Services.

b) They will email the completed application form (either with or without the particulars of property) to the respective RACPC (provided the prospective borrower intends to purchase/construct/renovate/alter the house or to purchase the plot at a place, where either the RACPC is located or where a SBI branch undertaking NRI business and linked to the said RACPC is located ) and will simultaneously email a copy of the same to the email address ( [dgm.nri@sbi.co.in](mailto:dgm.nri@sbi.co.in) ) of NRI Services, IBG, Mumbai and the respective FO/Subsidiary ( in case the application is routed through the FO/Subsidiary ). The NRI borrower will specify his preference for a link NRI CBS/non CBS branch for parking the home loan where he has or is going to maintain his NRE savings/NRO savings Bank account.

c) Simultaneously, they will mail the application form along-with relevant documents like salary certificate, employment details, passport, visa etc. to the RACPC concerned.

d) On receipt of the emailed application, the RACPC concerned will acknowledge the same by email, immediately on the first business day of the receipt of the email.

e) The RACPC concerned will convey its decision by email to the applicant in respect of the in-principle sanction (as per the **Annexure A**) within 1(one) business day after the receipt of the original application and other related documents followed by mailing the letter to the applicant's overseas address by registered post.

f) The RACPC will email a copy of the said in-principle sanction to the NRI Services, IBG at the email address ( [dgm.nri@sbi.co.in](mailto:dgm.nri@sbi.co.in) ).

g) The processes in respect of recovery of Processing Fees, Advocate's Fees, Valuer's Fees, Stamp Duty etc. have been mentioned in detail under paragraph 5(a) of this circular.

h) The RACPC concerned will maintain close contact with the applicant till the loan is actually sanctioned and disbursed.

i) The FO/Subsidiary will also maintain close contact with the RACPCs for providing the lead and will liaise between the applicant and the RACPC in order to prevent prospective business bypassing us.

In case the applications are received by the RACPC either from the FO/Subsidiary or from the link CBS/Non CBS branches, the RACPC on receipt of the same, will initiate actions as per paragraph 1(d), (e), (f) & (g) above.

## **2) Processing and Sanction by RACPC after In-Principle Sanction**

i) After the receipt of the completed application along with the relevant documents, the RACPC will process the loan, if the same is otherwise in order, and sanction the loan as per the laid down procedure of the Bank which is subject to KYC compliance ( if not done earlier ) and compilation of opinion report. RACPC will sanction the loan within a TAT (Turn Around Time) of maximum 6 (six) days after receipt of complete set of documents.

ii) RACPC will convey the sanction and send the sanction letter to the borrower by courier of international repute.

iii) The borrower will acknowledge the duplicate copy of the sanction letter and return the same to the RACPC.

## **3) Execution of NRI Home loan documents abroad in FOs/Subsidiaries**

The step by step processes involved in the execution of NRI home loan documents abroad in FOs/Subsidiaries are furnished hereunder:

a. The RACPCs will forward the documents to be executed along with a copy of the application, a copy of passport and one original photograph of the borrower/guarantor and a copy of the opinion report to be compiled, to the FO/subsidiary ( as per the enclosed format-**Annexure-B** ) by **courier of international repute** with a request for execution of the same by the NRI borrower/guarantor in their presence provided the borrower/guarantor are staying in the same place/area. The RACPC will provide the identification details like Passport/IC, telephone and

other contact details of the borrower/guarantor in their forwarding letter for facilitating prompt execution of the documents at the FO/Subsidiary. The RACPC will simultaneously forward a copy of the said letter to the borrower/guarantor.

b. On receipt of the loan documents and before execution of the loan documents, the FO/Subsidiary will verify and ensure that the loan/guarantee documents contain the under-mentioned clause. The clause should be incorporated as the last clause of both the Term Loan Agreement and Guarantee Agreement.

"This contract/agreement shall be governed by and construed in accordance with the laws of Republic of India. In the event of any dispute in connection with this contract/agreement, the borrower/guarantor hereby unconditionally agrees that the courts in Republic of India alone shall have jurisdiction to entertain legal proceedings in connection with the dispute and the borrower/guarantor shall not be entitled to raise any plea regarding jurisdiction of the Indian courts to entertain the proceedings in connection with the dispute/litigation."

c. Thereafter the FO/Subsidiary will contact the borrower/guarantor for early execution of the documents.

d. Before execution of the documents the FO/Subsidiary will identify the borrower/guarantor on the strength of the copy of the application, passport copy and photograph forwarded by the RACPC to the branch along with the documents to be executed.

**e. Before execution of the documents, KYC should be completed by the FO/Subsidiary. KYC norms, stipulated by RBI, have already been circulated to FOs vide IBG's letter No. IBG/GB/VI/CIR/392 dated 20<sup>th</sup> February 2006. As part of KYC, FOs will verify the proof of the place of residence of the customers based on the IC (Identification Certificates) issued by the local government, utilities bills and other relevant documents.**

f. The FO/Subsidiary will maintain a document execution register and record the details therein like the date of receipt of loan documents, name of the RACPC and their letter reference No, details of documents executed, names of the executants, date and place of execution, name and signature of the official in whose presence the documents are executed. The FO/Subsidiary will retain a copy of all the executed documents for their record.

- g. The register will be maintained at the FO/Subsidiary till the loan is liquidated at the domestic branch.
- h. The documents will be executed in the presence of an **IBO/IBTO only**. Appropriate stamp duty, if any, as applicable at the foreign centre, will be affixed to the documents before execution, the cost of which will be borne by the borrower. The FO/Subsidiary will certify about the correctness of the Stamp Duty affixed/paid in respect of the executed documents (as per the laws applicable at the foreign centre ) in the forwarding letter.
- i. The IBO/IBTO will ensure compilation of the opinion report before execution of the documents.
- j. The FO/Subsidiary will forward the executed documents along with the compiled opinion report to the RACPC concerned by **courier** of international repute. The FOs/Subsidiaries will mention the name, designation and SS No. of the IBO/IBTO in the forwarding letter, in whose presence the loan documents have been executed. The forwarding letter will be signed by the CEO / Manager of the Division.
- 4) Guidance by FOs/Subsidiaries to the prospective NRI borrowers about alternative methods of execution of documents ( other than at FOs/Subsidiaries )**

#### **A. Execution of loan documents by the Power of Attorney (POA) holder**

- a) The FO/Subsidiary may advise the prospective NRI borrower/guarantor about the possibility of execution of loan/guarantee documents by their POA holder resident in India. In such cases, the **application must be signed by the borrower himself**.
- b) The POA should be executed as per the format ( **Annexure-IV** ), available in Bank's website under Forms - NRI Services - Home Loan.
- c) The POA should contain the photograph of the POA holder as well as the signature of the POA holder, both attested by the executant in case the POA is executed in India by the executant during his visit to India. However, in case the POA will be executed abroad by the executant, the POA must contain the photograph of the POA holder duly attested by the executant. The POA holder will sign the POA in the presence of the officials of the RACPC during his visit to the RACPC.
- d) The POA should be executed in the court of law or in the presence of a Notary.



e) The usual process of document execution will be carried out by RACPC as per the laid down procedure of the Bank.

**B. Creation of Equitable Mortgage by the NRI borrower/guarantor abroad without having to visit the RACPC in India.**

FOs/Subsidiaries may advise the NRI borrower/guarantor regarding the possibility of creating EM without having to visit India.

a. In such scenario, the NRI borrower/guarantor can send the original title deeds/Agreement for sale etc. (if available) along-with other supplementary documents to the RACPC under a covering letter (as per the enclosed format- **Annexure-II**) for creation of Equitable mortgage.

b. The covering letter will be treated as a Recital at the RACPC and will be stamped by RACPC as per the relevant State Stamp Act.

c. Such stamping, if any, will be done at the RACPC immediately after the date of receipt of the letter along with the title deeds.

d. The RACPC will acknowledge the receipt of the title deeds to the borrower/guarantor by addressing a letter as per the enclosed format (**Annexure-III**). The RACPC will send the said letter in duplicate by courier of international repute and will advise the mortgagor to return the duplicate copy, acknowledged by him. Hence, the mortgagor is not required to send another confirmation letter as in the case of creation of equitable mortgage in the usual course. RACPC will diarise and follow-up for the receipt of the acknowledged duplicate copy.

**C. Creation of Equitable Mortgage by the POA holder of the NRI borrower/guarantor whose title deeds will be mortgaged.**

FOs/Subsidiaries may also advise the NRI borrower/guarantor that the POA holder resident in India can create EM on their behalf.

a) In such cases, the NRI borrower/guarantor, whose property will be mortgaged, will execute a separate POA (as per the enclosed format **Annexure-IV**) in a court of law or in the presence of a Notary in favour of a person resident in India authorising him to deposit the title deeds of the property proposed to be mortgaged.

The POA should contain the photograph of the POA holder as well as the signature of the POA holder, both attested by the executant in case the POA is executed in India by the executant during his visit to India.

However, in case the POA will be executed abroad by the executant, the POA must contain the photograph of the POA holder duly attested by the executant. The POA holder will sign the POA in the presence of the officials of the RACPC during his visit to the RACPC.

b. The POA holder will hand over the title deeds and other supplementary documents to the RACPC physically with the intention to create EM along with a copy of the POA (to be retained by the RACPC after verifying the same from the original).

c. The RACPC will record the recital as per the enclosed format (**Annexure-V**).

d. The RACPC concerned will seek a confirmation from the borrower/guarantor as per the enclosed format (**Annexure-I**) confirming the deposit of title deeds by the POA holder for creation of EM.

## **5. Other processes and strategies**

### **a) Recovery of Processing Charges, Advocate's fees, valuer's fees, stamp duty etc. -**

The customer will be advised by RACPC to pay these fees after grant of in-principle sanction letter but before each stage as also before final sanction and before despatch of documents to FO/Subsidiary abroad. The customer can pay the fees in the following manner.

i) The customer can issue a single cheque drawn locally from his own NRE SB/NRO SB A/c maintained in any of the link CBS/non CBS branch for the total amount based on the intimation of the RACPC in the in-principle sanction letter and send the same to the RACPC clearly mentioning the details of the various fees paid. RACPC will collect the said cheque through clearing in case the cheque pertains to the link non CBS branch or will debit the customer's account in case the cheque pertains to the link CBS branch.

ii) The customer can issue separate cheques drawn locally from his own NRE SB/NRO SB A/c (maintained in any of the link CBS/non CBS branch) for specific amounts in respect of specific fees as per the intimation of the RACPC in the in-principle sanction letter and send the same to the RACPC. The RACPC will receive the payment as per the procedure mentioned in (i) above.

iii) The customer can send either a single rupee demand draft issued from abroad for the total amount of all the fees (mentioning specifically the details of various fees paid) or can send separate rupee demand drafts issued from abroad for various fees to the RACPC. The rupee demand drafts should be drawn on one of the local branches

of any of the nationalised banks/private/foreign banks operating in the area where RACPC is located. RACPC will realise the same through clearing.

iv) The customer can issue a letter of authority addressed to the link CBS branch (where he is maintaining his NRE SB/NRO SB account) for payment of the said fees to the RACPC and send the same to the RACPC. RACPC will debit the customer's account in the link CBS branch based on the letter of authority of the customer.

v) The customer can send either a single cheque for the total amount of all the fees or separate cheques for each individual fee drawn on any of the local branches of a nationalised/private/foreign bank located in the same center as that of the RACPC. RACPC will realise the proceeds of these cheques through clearing.

#### **b) Refund of Excess fees recovered by RACPC**

The following processes are to be adhered in case of refund of excess fees recovered.

i) In case the fees are paid by the customer by means of cheque drawn locally from his NRE SB/NRO SB A/c in any of the Link CBS branch, the RACPC will arrange to credit the excess fee recovered directly to the said account of the borrower.

ii) In case the fees are paid by the customer by means of cheque drawn locally from his NRE SB/NRO SB A/c in the case of link non CBS branch, the RACPC will arrange to refund the excess fee recovered in the shape of Banker's cheque drawn in favour of the customer for credit to his corresponding account in that branch and forward the banker's cheque to that branch.

iii) In case the fees are paid by the customer either by means of rupee draft, issued from abroad or by means of other bank's cheque, the excess amount can be credited either to the Home Loan account of the customer (if loan is sanctioned and disbursed) or can be refunded to the customer's NRE SB A/c as mentioned in (i) and (ii) above.

iv) In case the fees are paid based on the letter of authority as mentioned in a(iv) above, RACPC will credit back the excess fees to the customer's account.

#### **c) Mode of disbursement of loan**

The loan will be disbursed in phases as per the extant instructions of the bank. The loan will be disbursed by the Pilot RACPC in case the home loan is parked at the link CBS branch. Otherwise, the loan will be disbursed by the non link CBS branch. The disbursement will be made only after the receipt of the original letter of request of the borrower either at the Pilot RACPC or the link CBS/link non-CBS branch.

- a. The FOs/Subsidiaries will aggressively market the NRI home loan product of our bank, subject to local regulations and will provide vital lead to the RACPCs.
- b. The FOs/Subsidiaries will maintain close coordination with the RACPCs and NRI intensive branches.
- c. FOs/Subsidiaries can recover the out of pocket expenses of US\$ 100 for execution of one set of loan documents. However CEO can exercise discretion to waive the charge either partly or fully depending upon the value of connection of the borrower to our Bank.
- d. The RACPCs and FOs/Subsidiaries will correspond with each other through email in respect of all routine correspondences. However, for queries of sensitive nature, the correspondences between the RACPCs and FOs/Subsidiaries will be through fax/telephone/courier.

Draft format of confirmation to be obtained from NRI borrower/guarantor confirming the execution of loan/guarantee documents by their POA holder or confirming the deposit of title deeds by their POA holder

ANNEXURE -I

"To, State Bank of India

1. \* I / We (1) \_\_\_\_\_, (2) \_\_\_\_\_, hereby confirm that my / our Power of Attorney-holder, Shri \_\_\_\_\_ has executed the following documents for and on my/ our behalf in connection with the Home Loan sanctioned / to be sanctioned to me / us, which are binding and enforceable against me / us.

'List of Documents'

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

2.\* "I/We hereby also confirm that our Power of Attorney holder namely Shri..... has deposited the original title deeds in respect of the property, for acquisition of which I / We have availed loan from the Bank, with an intention to create security over the said property by way of mortgage by deposit of title deeds on .....(specify date on which title deeds are deposited by the Power of Attorney holder).

(Signature)

Borrower / Guarantor

Date :

Place :

\*strike out whichever is not applicable

Draft format of the covering letter to be sent by the NRI borrower/guarantor along with the original title deeds for creation of equitable mortgage in India without having to visit to India

ANNEXURE-II

The Branch Manager  
State Bank of India

Dear Sir,

HOME LOAN OF Rs. \_\_\_\_\_ SANCTIONED  
IN FAVOUR OF SHRI \_\_\_\_\_

I/we are forwarding herewith the original title deeds more particularly detailed in Schedule I hereunder written in respect of the property detailed in the Schedule II hereunder written to be held by the Bank as and by way of security of mortgage by deposit of title deeds for repayment of the Home Loan of Rs. \_\_\_\_\_ together with interest, costs, charges and expenses payable by me/us.

2. The title deeds forwarded herewith are the only title deeds in respect of the Schedule II property. The delivery of the title deeds shall be complete only when you actually receive the title deeds with this letter \* which is in my/our possession/\* which is in possession of Shri \_\_\_\_\_. I/we confirm that there are no pending claims, attachments, orders of any nature whatsoever in respect of the property described in Schedule II hereunder written and that it is free from all encumbrances whatsoever.

#### SCHEDULE I

(Details of the Title Deeds)

#### SCHEDULE II

(Detailed description of the property)

Signature of the borrower(s) Place: \_\_\_\_\_ Date: \_\_\_\_\_

\* Delete if not applicable

**Draft format of the acknowledgement to be sent by the RACPC to the NRI  
Borrower / Guarantor immediately after the receipt of the original Title Deeds for  
creation of Equitable Mortgage**

**ANNEXURE 'III'**

Shri \_\_\_\_\_  
(Name and address of the NRI to  
Whom the housing loan is sanctioned)

Dear Sir,  
HOUSING LOAN OF Rs. \_\_\_\_\_  
IN FAVOUR OF SHRI / SMT. \_\_\_\_\_ AND SHRI  
/SMT. \_\_\_\_\_

We acknowledge receipt of your letter dated \_\_\_\_\_, together with the title deeds, as detailed hereunder, as and by way of creation of mortgage by deposit of title deeds in favour of the Bank to secure the loan granted to you.

**List of Title Deeds**

Your faithfully,

Branch Manager/ Authorised Officer

I acknowledge this letter and confirm that I have deposited the Title Deeds by way of Security under the cover of my letter dated \_\_\_\_\_

(Borrower / Guarantor)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Draft format of the Power of Attorney to be executed by the borrower/guarantor authorising the Power of Attorney holder to execute the loan/guarantee documents or to create equitable mortgage

ANNEXURE - IV

[To be stamped as a Power of Attorney as per applicable State Stamp Act, within three months from the date on which it is received in India]

POWER OF ATTORNEY

To All to Whom These Presents shall come, I/We 1.,.....2..[give full name & address of NRI borrower(s).Where there are more than one borrower, all the names & address should be given]

WHEREAS State Bank of India,.....Branch/RACPC (hereinafter referred to as SBI) granted/ agreed to grant Home Loan to the tune of Rs...../for purchase/acquisition of the property more particularly described in the Schedule hereunder written (hereinafter referred to as the Scheduled property) to me/us vide Sanction Letter No.....dated .....

AND WHEREAS to avail the Home Loan I/We are required to execute the necessary documents and also create a security by way of mortgage by deposit of title deeds, for the aforesaid Home Loan,

AND WHEREAS I / We are not in a position to expeditiously execute the documents and create security in favour of SBI and are therefore desirous of appointing some fit & proper person to act on my/our behalf and to do all necessary acts and things in connection with the aforesaid.

NOW KNOW YE ALL AND THESE PRESENTS WITNESSETH THAT I / We do hereby nominate, constitute and appoint Shri.....(Give full name & address of the attorney....), whose photograph is pasted below, to be my/our lawful and true Attorney for the purposes hereinafter expressed i.e. to say To execute all the necessary agreements, deeds, documents in connection with the above referred Home Loan in favour of SBI in my/our name and for and on our behalf in such form as SBI may require and lodge the documents with appropriate Statutory/ Administrative or other authorities where ever necessary.



- To appoint Advocates, Solicitors in connection with the above and pay their remuneration.
- To deposit the original title deeds with respect to the Scheduled property to SBI with an intention to create security thereon as and by way of mortgage by deposit of title deeds and also to make a statement to the above effect while delivering the title deeds for and on my/our behalf and subsequently confirm such deposit of title deeds to SBI.
- To apply for, appear and obtain necessary clearance and /or permission from the concerned authorities concerning the Scheduled property, in connection with the above referred Home Loan and submit the same to the Bank where ever necessary.
- To do all the necessary things and acts in connection with and/or incidental to the above stated matters which my/our Attorney deems fit and necessary to do to effectuate the aforesaid.

Please paste the Photograph of the Power of Attorney here.

AND I/ We, the above named..... (state the name(s) of the borrowers) do hereby undertake to ratify whatever the Attorney may lawfully do or cause to be done in and by virtue of these presents.

SCHEDULE (Give detailed description of the property)

IN WITNESS WHEREOF, I/We, the above named have hereunto set my/our respective hands on this.....day of.... ..

Signed, Sealed by the within named

Signature(s) 1..... 2..... Before Me

Notary Public/Magistrate.

Note: The photograph of the Power of Attorney holder needs to be attested by the executant of the Power of Attorney.

**Draft format of the Recital to be recorded at the RACPC for creation of Equitable Mortgage by the POA holder**

**ANNEXURE-V**

**MEMORANDUM OF DEPOSIT OF TITLE DEEDS**

Shri. \_\_\_\_\_ residing at \_\_\_\_\_, the authorized representative /POA holders of Shri \_\_\_\_\_ (name and address of the NRI to be mentioned) visited the branch on \_\_\_\_\_ and deposited with the undersigned the title deeds more particularly detailed in Schedule I hereunder written, in respect of the property , more particularly detailed in the Schedule I hereunder written , in respect of the property , more particularly detailed in the Schedule II hereunder written. While depositing the title deeds Shri. \_\_\_\_\_(Name of the POA holder) stated that he is depositing the title deeds with an intention to create security over the property described in Schedule II hereunder written, for repayment of the loan of Rs. \_\_\_\_\_lakhs together with interest , costs, charges , expenses etc. granted by the Bank to Shri. \_\_\_\_\_ (name of the NRI to be mentioned).

2. While depositing the title deeds as above, Shri. \_\_\_\_\_(name of the POA holder ) stated that he has been authorized to state that the title deeds deposited by him are the only title deeds in respect of the property detailed in the Schedule II hereunder written and that there are no pending claims, attachment of any nature whatsoever in respect of the property described in the Schedule II hereunder written . He also stated that he has been authorized to state that the property described in the Schedule II hereunder written is in actual possession of Shri \_\_\_\_\_and free from all encumbrances whatsoever.

**SCHEDULE I**

(Details of the Title Deeds)

**SCHEDULE II**

(Detailed description of the property)

Recorded in my presence

Official)

(1)

(2)

(Name & designation of the Officers)

Signature

(Branch Manager/ authorized

**Format for In-Principle Sanction Letter**

**ANNEXURE A**

**STATE BANK OF INDIA**

**RACPC / BRANCH**

Date:

To

Dear Sir/ Madam,

With reference to your application for financial assistance under \_\_\_\_\_ Scheme, we are in principle , agreeable to grant a loan to you, on the broad terms, special conditions (if any) as under. The loan is subject to legal and technical clearances, compliance under KYC(Know Your Customer) guidelines of RBI and the rules of SBI relating to the scheme (as may be applicable from time to time). Formal sanction letter stating terms and conditions will be issued on receipt of your confirmation as regards identification of property and subject to acceptance of the Bank about the purpose , eligibility and security offered.

Purpose of loan-

Loan amount - Rs.

Rate of interest-

(The actual amount of loan if sanctioned may vary depending on your eligibility criteria, income level and repayment capacity.)

Special conditions:

Securities whether Primary / Additional /Collateral will not be released during the currency of the loan.

Disbursement will be subject to receipt of satisfactory verification of Employment / Banker's opinion report.

Creation of a valid equitable mortgage over the flat / property of adequate value being financed.

This in- principle sanction letter is valid for 3 months from the date of this letter. If this offer is acceptable to you, kindly sign the duplicate copy of this letter in token of your acceptance. In this connection, please arrange to send three separate cheques / bank drafts marked " Accoutn Payee" towards processing fee, Advocate's fees and Valuer's fees as under:

<b>PURPOSE</b>	<b>FAVOURING</b>	<b>AMOUNT (Rs.)</b>
Processing fee	RACPC Processing charges collection Account	-----
Advocate's fees	RACPC Advocate's fees collection Account	-----
Valuer's fee	RACPC Valuer's fees collection Account	-----

Note:- The cheques should be issued from your NRE SB/NRO SB account maintained /to be maintained in .....(name of the branch located in the same centre as that of the RACPC and linked to the RACPC). Otherwise, you can also send rupee bank draft purchased by you from abroad drawn on any of the nationalized/ private/foreign banks located in the same centre as that of the RACPC.

The above amounts will be appropriated as under:-

a) **Advovate's and Valuer's fees-**

The cheques/ Bank draft for recovery of Advocate's fees and Valuer's fees will be appropriated , if the property documents are sent for search / valuation whether the loan is sanctioned or rejected.

If search /valuation is not done and loan request is rejected, the amount received will be refunded for the item(s), which is / are not done.

**b) Processing charges-**

In the event of a loan request being sanctioned or rejected by the sanctioning Officer after complete processing (including search /valuation report and field visit), the money shall be appropriated.

If the loan request is rejected after inspection, we will recover 25% of processing charges. Remaining amount will be refunded.

If loan request is rejected after inspection and obtention of legal /valuation report , we will recover 25% of processing charges. Remaining amount will be refunded.

If on initial scrutiny, loan request is not acceptable , no recovery will be made and processing charges will be refunded.

**Other Charges**

In addition to the charges / fees mentioned above, the Foreign office/ Overseas Subsidiary of State Bank of India will recover US \$ 100 towards their out of pocket expenses, in case the home loan documents will be executed by you at these centres.

As the offer is subject to legal and technical clearances and compliance of KYC guidelines, you are requested to contact us , after accepting this offer , in order to complete requisite pre-disbursement formalities and expedite disbursement of the loan. Bank has the right to reject your loan application at any point of time without assigning any specific reason, inspite of issue of in -principle sanction letter. In case if the loan is rejected, copy of the documents submitted by you would be retained by the Bank.

Your faithfully,

BRANCH MANGER

Accepted

Signature of the Borrower(s)

**BY INTERNATIONAL COURIER**

The Chief Executive Officer  
State Bank of India,

Date:

Dear Sir, Madam,

NRI

HOME

LOAN

Execution of Documents

We forward herewith the following documents for execution at your end in respect of the NRI Home Loan sanctioned in favour of Mr./Mrs.....for Rs.....

**List of Documents enclosed for execution**

Sr.No.	Name of the Document	To be Executed by

2. We enclose a copy of the application, original photograph and a copy of the passport of the borrower / guarantor for easy identification and completion of KYC at your end. We also enclose the following documents which may please be verified and attested at your end.

i) Copy of passport (ii) Copy of IC (iii) Salary Certificate (v) Utility Bill etc.

3. We also enclose the opinion report which may please be compiled at your end.

4. Kindly acknowledge receipt of the documents in the duplicate copy of this letter.

5. Simultaneously, we request you to contact the borrower/ guarantor at their following contact address. Please arrange for execution of the documents at the earliest and please ensure to affix appropriate stamp duty, if any, as applicable at your centre, in the said documents before execution. The cost of the stamp duty will be borne by the customer.

Contact address and telephone no. of the borrower / guarantor.

6. Thereafter, after completing KYC compliance, please return the executed loan / guarantee documents along with the verified and attested copies of the Passport, IC, Salary certificate , utility bills etc. and the opinion report compiled at your end to us immediately by courier of international repute.

Yours faithfully,

**Asst.Gen. Manager (RACPC)**

Encl: As above.

Copy forwarded to Mr./ Mrs.....(name of the borrow / guarantor) for information. He is requested to contact the branch immediately.

**Asst.Gen. Manager (RACPC)**

**' SBI REALTY'**  
**HOME LOANS FOR PURCHASE OF PLOT OF LAND FOR THE PURPOSE OF**  
**CONSTRUCTION OF A DWELLING UNIT**

1. Home Loan for purchase of Plot
2. Maximum Loan Amount Rs.10.00 cr.
3. Maximum period for construction of house: 2 years from the date of availment of the loan.

Buoyancy in the Housing market has been reflected in the increased demand for Home Loans for purchase of plots of land for construction of houses. This is more pronounced in respect of allottees of Urban Development Authorities and members of Housing Societies.

2. With a view to effectively tapping the market potential for Home Loans for purchase of plot of land for house construction, an independent product '**SBI Realty**' has been introduced with more appealing and customer friendly features and to position it with an exclusive focus on the target clientele.

3. The salient features of the scheme are as under :-

Sl. No.	Parameter	Salient features of the proposed Scheme										
1	Type of Loan	Term Loan /Overdraft (Maxgain)										
2	Purpose	Purchase of a plot of land for purpose of construction of a house.										
3	Eligibility	As per Home Loans scheme										
4	Loan amount	<p><b>Maximum:</b> Rs. 1 crore. subject to Maximum permissible EMI/NMI ratio</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Net Annual Income (Rs.)</th> <th style="text-align: center;">Maximum Permissible EMI/NMI ratio</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Upto Rs. 2 Lac</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: center;">Above Rs 2 Lac upto 5 lacs</td> <td style="text-align: center;">40%</td> </tr> <tr> <td style="text-align: center;">Above Rs 5 Lac upto 10 lacs</td> <td style="text-align: center;">45%</td> </tr> <tr> <td style="text-align: center;"><b>Above Rs.10 Lac</b></td> <td style="text-align: center;"><b>50%</b></td> </tr> </tbody> </table> <p>Sanctioning authority can increase these limits by 10% if customer undertakes to complete house construction with his own resources, and substantiates it with acceptable proof like maturing securities, receivables etc.</p> <p>Income of <b>spouse / sons / daughters</b> and regular income from <b>all sources</b> can be clubbed as per norms applicable to the regular Home Loans.</p> <p><b>Administrative clearance</b>  Loans above Rs.50 lacs require prior administrative clearance from the AGM Region / Branch in all cases</p>	Net Annual Income (Rs.)	Maximum Permissible EMI/NMI ratio	Upto Rs. 2 Lac	30%	Above Rs 2 Lac upto 5 lacs	40%	Above Rs 5 Lac upto 10 lacs	45%	<b>Above Rs.10 Lac</b>	<b>50%</b>
Net Annual Income (Rs.)	Maximum Permissible EMI/NMI ratio											
Upto Rs. 2 Lac	30%											
Above Rs 2 Lac upto 5 lacs	40%											
Above Rs 5 Lac upto 10 lacs	45%											
<b>Above Rs.10 Lac</b>	<b>50%</b>											

		<p>where sanctioning authority is an official of a lower grade.</p> <p><b>Total Project Cost</b></p> <p>Cost of land (i.e. price in the sale deed), including cost of registration, stamp duty, development cost etc.</p> <p>Total project cost to include the development cost charged by the Developer towards preparation of layout and to provide common amenities like roads, water supply, drainage, electricity, parks, recreation facilities etc., on the basis of agreement executed by the Promoter/Developer with the buyer and subject to Bank's approved valuer certifying the valuation thereof.</p>									
5	Margin	<table border="1"> <thead> <tr> <th>Loan amount</th> <th>Margin</th> </tr> </thead> <tbody> <tr> <td>&lt;=Rs.75 Lac</td> <td>20% (same as in Home Loan)</td> </tr> <tr> <td>&gt;Rs.75 Lac and upto Rs.1 Cr</td> <td>25% (same as in Home Loan), (Say Y%)</td> </tr> <tr> <td>&gt;Rs.1 Cr</td> <td>Y% for the loan amount upto Rs.1 Cr, <b>plus</b> 50% for loan amount in excess of Rs.1 Cr.</td> </tr> </tbody> </table>	Loan amount	Margin	<=Rs.75 Lac	20% (same as in Home Loan)	>Rs.75 Lac and upto Rs.1 Cr	25% (same as in Home Loan), (Say Y%)	>Rs.1 Cr	Y% for the loan amount upto Rs.1 Cr, <b>plus</b> 50% for loan amount in excess of Rs.1 Cr.	<p>e.g. If the Project Cost is Rs.2.00 Cr then the margin and the permissible loan amount will be calculated as under :</p> <p>Margin for loan amount of Rs.1 Cr =25%, therefore the project cost for a loan of Rs.1 Cr = <math>Rs.1Cr / (1 - 0.25) = Rs.1.33 Cr</math>.</p> <p>Incremental loan amount for project cost above Rs.1.33 Cr = <math>(Rs.2 Cr - Rs.1.33 Cr) * 50% = 33.50 Lacs</math> -----(A)</p> <p>Total permissible loan amount = Rs.1 Cr + (A) = Rs.1,33,50,000.</p> <p>Minimum margin on the total project cost = <math>(Project Cost - Permissible Loan amount) / Project Cost = (66,50,000 / 2 Cr) \% = 33.25\%</math></p> <p><i>Circle CGMs discretionary powers to reduce margin under Home Loan scheme , if used, for Realty loans, should be restricted to loan portion upto Rs.1 Cr only.</i></p> <p><b><u>For loan portion above Rs.1 cr. no discretionary concession is permitted.</u></b></p> <p>If Margin for loan of Rs.1 Cr is reduced from 25% to 20% under the discretion of the Circle Chief General Manager, then :</p> <p>Project cost for loan of Rs.1 Cr = 1.25 Cr</p> <p>Incremental loan amount = <math>(Rs.2 Cr - Rs.1.25 Cr) * 50% = Rs.37.50 Lac</math></p>
Loan amount	Margin										
<=Rs.75 Lac	20% (same as in Home Loan)										
>Rs.75 Lac and upto Rs.1 Cr	25% (same as in Home Loan), (Say Y%)										
>Rs.1 Cr	Y% for the loan amount upto Rs.1 Cr, <b>plus</b> 50% for loan amount in excess of Rs.1 Cr.										

		Total permissible loan amount=Rs.1,37,50,000 Cr Minimum margin=Rs.62.50 Lacs or 31.25%.
6	Security	1.Equitable mortgage of the plot of land proposed to be purchased. 2. Personal guarantee of the spouse/son/daughter if their income is also clubbed with the income of the borrower for computing the eligibility and they are not co-borrowers. 3. Interim guarantee of an individual good for the loan amount (to cover the period from the date of sanction and date of creation of equitable mortgage).
7	Repayment terms	Repayable in a maximum of 180 months commencing from the month following the month of disbursement of the loan
8	Interest Rate	As per Home Loan Scheme
10.	Processing fees	As per Home Loan Scheme
11	Documentation	a) Arrangement Letter b) Home Loan Agreement c) Guarantee Agreement for Home Loans d) Agreement to Mortgage e) Declaration by the borrower undertaking to construct house within a period of 2 years (as per Annexure 'A')
12.	Disbursement	Direct to the Urban Development Authority/Housing Society/Seller by issue of Banker's cheque/Demand Draft crossed "Account Payee Only" or their SB/CA accounts maintained with us. Account number and name of the bank will be incorporated in the Banker's cheque/Demand Draft. The branches should forward the cheques under cover of a standard covering letter on the lines of the proforma enclosed (Annexure-B) to be sent to Urban Development Authority/Housing Society/Seller <u>by registered AD/Speed Post</u> .  Further, branches should ensure that the purchase price in the Agreement to Sale is incorporated as the value of the property in the Sale Deed registered.
13	Maximum time period stipulated for construction of house	2 years from the date of availment of the Loan.  <i>In case of loan for plot of land in development projects undertaken by Government agencies, and the date of handing over possession of developed plot to the purchaser in such projects exceeds two years, the maximum time period may be extended by the sanctioning authority in sync with the date of possession.</i>  Accordingly, branches should obtain suitable



		<p>declaration from such borrowers, undertaking to construct a house on the said plot of land within the aforesaid period and also authorizing the Bank to charge higher rate of interest as deemed fit by the Bank or even recall the loan, in the event of failure to construct the house within the above stipulated periods.</p>
--	--	--

4. Following processes have been introduced for **loans above Rs.50 lacs** for mitigation of the credit risks and the fraud risks :-

(i) To minimize the risk of over-valuation of the property, the property should be valued independently by two empanelled valuers. Lower of the two valuations should be considered for loan assessment,

(ii) To mitigate fraud risk, two title search reports one before loan sanction, and another before disbursement of loan should be obtained from two different empanelled lawyers.

(iii) A fresh CIBIL Credit Information Report on the borrower should be obtained before disbursement of loan, in addition to the one obtained as part of loan sanction process.

5. Under the scheme, the Home Loan borrowers will have twin benefit of availing Home Loan for purchase of plot of land under 'SBI Realty' and also another Home Loan for construction of house on the plot so purchased. Both the loans can run concurrently subject to combined EMI/NMI ratio of both the loans being within the stipulated benchmarks.

(Undertaking to be obtained from the borrower in respect of 'SBI Realty' Home Loans)

The Asst. General Manager/Chief Manager/Branch Manager,  
State Bank of India,  
.....Branch.

Dear Sir,

**'SBI REALTY' HOME LOANS FOR PURCHASE OF PLOT OF LAND FOR  
CONSTRUCTION OF A DWELLING UNIT**

Referring to my/our application dated.....for 'SBI Realty' Home Loan of Rs.....(Rupees.....only) for purchase of a plot of land for construction of a dwelling unit thereon, I hereby undertake that I/We will construct a house on the said plot of land within a period of two years from the date of availment of the loan. I/We also irrevocably authorize State Bank of India to charge higher rate of interest as deemed fit by the Bank or even recall the loan, in the event of my/our failure to construct the house within the aforesaid period.

Yours faithfully,

(Name of the Borrower(s)  
and address (s)

**SPECIMEN OF LETTER FORWARDING DEMAND DRAFTS/BANKER'S  
CHEQUES TO URBAN DEVELOPMENT AUTHORITY/HOUSING  
SOCIETY/SELLER**

**Registered AD**

M/s/Mr./Mrs/Kum.....

.....

.....

Dear Sir,

**REFERENCE : YOUR ALLOTMENT LETTER NO.**

**.....DATED...../AGREEMENT OF SALE DATED .....**

With reference to your Allotment letter No.....dated.....allotting  
.....(details of plot of land) in.....(name  
and address of the project)/Agreement of Sale dated the..... for sale of  
.....(details of plot of land proposed to be sold under the  
agreement), we forward herewith on behalf of Shri/Smt./Kum.....  
our cheque/demand draft No.....dated.....Rs.....(Rupees  
.....only), drawi in your favour for credit of your Account  
No..... maintained with.....(Name of  
Bank).....(Name of Branch) being the cost of plot of land  
allotted/proposed to be sold to Shri/Smt./Kum.....as per details  
furnished above. Please forward to us your stamped receipt for the amount  
immediately on receipt.

2. Please note that the amount is to be appropriated specifically towards the cost of  
plot of land allotted/proposed to be sold as above and should not be appropriated by  
you towards or set off against any other debit or liability due or owing to you by  
Shri/Smt./Kum.....(Name of the borrower). Please note that  
the Bank will have the right to call back the amount if you fail to complete the  
formalities for allotment of the plot of land/sale including registration formalities on  
receipt of the proceeds of our cheque/demand draft mentioned above. If the proposed  
allotment of plot of land/sale fails to materialize within a reasonable time, for reasons  
whatsoever, you should arrange to return our cheque/demand draft directly to us  
immediately. Further, refunds, if any, including any payment towards interest etc.  
should be made by means of crossed cheque/demand draft favouring Shri/Smt./  
Kum.....Loan Account No.....State Bank of  
India,.....(Branch) and forwarded directly to us.

3. Please note to advise us full particulars of allotment of plot of land/sale of plot of  
land as above on completion of registration of the property in the name of  
Shri/Smt./Kum.....

Yours faithfully,

Branch Manager

**'SBI-MAXGAIN'**  
HOME LOAN AS AN OVERDRAFT

- a) *Eligibility: Both Existing / Prospective customers having minimum balance of Rs.5000/- in their SB/CA*
- b) *Loan Amount : Minimum Rs.5.00 Lacs , Maximum Rs. 1.00 crore*
- c) *Facility : Overdraft*
- d) *Can be used as a running account with ATM Card, INB, Cheque Book etc. after full disbursement of the loan and completion of required formalities including creation of equitable mortgage.*
- e) *Drawing power reduced on monthly basis*
- f) *Customers will get the benefit by saving Home Loan Interest*

### **Background**

a) Home finance has, over recent years, been witnessing fierce competition in pricing as well as product differentiation. Besides providing the most competitive rates of interest, we have been introducing innovative features to the generic Home Loan Scheme and have brought about a fair amount of flexibility in key terms and conditions of the Scheme.

b) A few private banks have introduced Schemes extending an option to Home Loan borrowers to link the loan account with their SB Account/Current Account with a view to reducing the borrower's interest burden, by facilitating automatic transfer of balances in their SB Account/Current Account above a threshold level to their Home Loan Account. The transfer of temporary surplus funds to the Home Loan account brings down the interest cost of the borrower.

### **Scheme Details**

In view of the foregoing, a new Home Loan product which has been christened as 'SBI - Maxgain' has been launched w.e.f. 1<sup>st</sup> April 2005.

### **Eligibility**

As applicable to Home Loans

#### **Additional eligibility criteria**

Facility available for **new** Home Loans of Rs.5 lacs and above from applicants who are (i) **Existing customers** with minimum balance of Rs.5000/- in their SB / CA. Stipulation of minimum balance not applicable to customers whose salaries are regularly credited to this account and repayments are proposed to be made from this account.

(ii) **Prospective customers** who open SB / CA with an initial minimum deposit of Rs.5000/-. Stipulation of initial minimum deposit not applicable if salary of the applicant is proposed to be credited to this SB/CA.

## **Margin**

As applicable to Home Loans

## **Loan Amount**

*Minimum* : Rs.5 Lacs

*Maximum* : Rs 1 crore. Staff and loans availed by staff jointly with their spouse are exempted from this restriction.

## **Type of Loan**

### *Overdraft*

**Under 'SBI - Maxgain' Home Loans will be sanctioned as an Overdraft.** While customers will have to remit the Equated Monthly Instalments (EMIs) as in the case of usual Home Loans, the Drawing Power on the Overdraft will be reduced on monthly basis to the extent of the principal component of the EMI so that the Overdraft is liquidated at the end of the loan tenure. (Interest component of the EMI remitted will service the interest obligations).

### **Disbursal & Drawing power**

#### **Until full disbursement of the loan:**

2. **Credits not to be allowed in the a/c.**
3. DP fixed in the a/c to correspond to borrower's eligibility depending on the progress of work completed less stipulated margin. Outstandings should not exceed DP.

#### **Post disbursal [cheque book, ATM- debit card, INB facility]**

After full disbursement of the loan and completion of required formalities including creation of equitable mortgage, borrowers will be eligible for issue of cheque book, ATM-Debit Card and Internet Banking facility for operation in the loan account. **No over drawings** are to be permitted in the a/c in excess of the Drawing Power.

**The extant instructions applicable to Home Loans, including those for interest rate, margin, repayment, penal interest, pre-closure penalty etc., will also be applicable to Loans sanctioned under "SBI - Maxgain'.**

### **Repayment**

As per extant instructions applicable to Home Loans.

### **Additional repayment stipulations**

Repayment of EMIs will be paid by check-off/obtaining PDCs as per extant instructions.

## **Security documents**

### **Following documents on formats as specified in the Scheme circular:**

- a) Arrangement Letter-*Annexure-A*
- b) Home Loan Agreement (As per Home Loan Scheme)
- c) Guarantee Agreement (As per Home Loan Scheme)
- d) A consolidated stamped Affidavit and Indemnity sworn before notary public/ magistrate containing relevant clauses as obtained for normal HLs
- e) In respect of Check-off, existing formats under regular Home Loan to be used with suitable modifications.

## **Service charges**

The extant schedule of service charges applicable to Current Accounts will also be applicable to these loans

## **Other terms and conditions**

*As per extant instructions applicable to Home Loans including those for purpose, margin, security, processing fees, interest rates, penal interest, repayment, penalty on pre-closure of loan, pre-EMI capitalisation, pre and post sanction inspection.*

**Arrangement Letter**

STATE BANK OF INDIA

.....BRANCH  
.....

To,

Shri/Smt./Kum.

1).....

2).....

Date :

Dear Sir,

Personal Segment advances :

**'SBI-MAXGAIN' HOME LOANS : Rs.....lakhs**

With reference to your application for 'SBI-MaxGain' Home Loan dated .....,we hereby sanction you a 'SBI-MaxGain' Home Loan limit ( on Overdraft basis) of Rs.....(Rupees.....only) on the following terms and conditions:

2. Purpose

The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land (hereinafter referred to as the 'project') at the following address :

.....

3. Margin : % of the total cost of the project

4. Rate of Interest :

*Fixed Rate of Interest :-*

Interest on the loan will be charged at .....% p.a. on daily reducing balance at monthly rests. SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of this Agreement relating to prepayment.

### *Floating Rate of Interest :-*

Interest on the loan will be charged at .....% p.a. over Base Rate which is currently .....% p.a. (The current effective rate being .....% p.a.) with monthly rests. The rate of interest is subject to revision from time to time and you shall be deemed to have notice of changes in the rate of interest whenever the changes in Base Rate are either displayed on the Notice Board of the Branch or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished to you. The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon changes in Base Rate. In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

Enhanced rate of interest @ 1% per month (i.e.12% p.a.), over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty, the rate of which shall be at the discretion of the Bank , for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

### 5. Repayment :

The loan is to be repaid in Equated Monthly Instalment of Rs\_\_\_\_\_

The repayment instalment commences (a) 2 months after completion of construction of house/flat or after eighteen months from disbursement of first instalment, where loan is released in instalments, whichever is earlier or (b) from the next month after the date of full disbursement in respect of outright purchase of land/house/flat/extension, repairs or renovation of an existing house/flat \*. Drawing Power in the Overdraft limit will be reduced on monthly basis to the extent of principal component of EMI (as per annexure) Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.

\* delete which is inapplicable.

### Pre-closure Charges

#### *Loans on Fixed and Floating rate of interest :*

If the loan is **pre-closed** from own resources for which proof is submitted by the borrower, pre-payment penalty shall not be levied irrespective of the period for which the account has run. In other cases, where such proof is not produced by the borrowers, 2% penalty on the amount prepaid in excess of



normal EMI dues should be levied in case of **pre-closure** of Home Loans within 3 years from the date of commencement of repayment

6. Security :

The loan will be secured by :

a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ for which the loan has been sanctioned, valued at Rs.\_\_\_\_\_belonging to Shri/Smt./Kum.\_\_\_\_\_}S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.

b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs.\_\_\_\_\_ belonging to Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.

c) Third Party Guarantee of .....  
.....

d) .....  
.....

m) Utilisation of the loan :

The amount of the loan shall be utilised strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

8. Insurance :

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower.

9. Inspection :

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

10. Legal expenses etc. :

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance prEMIA, stamp duty, registration charges and other incidental expenses incurred in connection with the loan should be borne by you.

11. Disbursement :

The loan will be disbursed only on the following conditions :

- a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank..
- All the security documents prescribed have been executed by you/co-applicant (s)/ guarantor(s)
- c) The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in instalments)

	Stage	Amount (Rs.)
--	-------	--------------

- i)
- ii)
- iii)

i) Issue of cheque book etc.:

Cheque book will be issued and operation of the account on overdraft basis will be permitted only after final disbursement of the loan. Under no circumstances the drawings in the Loan account will be allowed to exceed the Drawing Power fixed in this regard.

The loan is also subject to other terms and conditions that may be prescribed by the Bank from time to time. Please call on us on any working day to execute the documents. The duplicate copy of this arrangement letter may please be returned to us duly signed by you and the guarantor(s) in token of acceptance of the terms and conditions detailed herein.

- ii) The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.

Yours faithfully,

Asst. General Manager/Chief Manager/Branch Manager

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter.

Borrower(s)

Date

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

Guarantor(s)

Date

**Instructions for using the enclosed Microsoft Excel file for arriving repayment schedule with break-up of EMI into principal component and interest component.**

**1. Installing :**

To install the file, insert the floppy in <drive a> and open the file "tailormade.xls" in Microsoft Excel. If the system asks for the option to "Disable Macros" or "Enable Macros", please chose " Enable Macros". Go to "file", "save as" and click on "save as type"/ From the options displayed, choose "Template (\*.xlt.)" and pres "Save". Installation is one time process only. For future use, start from instruction 2 only.

**2. Opening the file :**

To open the file, go to " File", "New", choose tailormade.xlt and press " Open". If the system asks for the option to "Disable Macros" or "Enable Macros", please choose "Enable Macros".

**3. Using the file :**

File for fixation of repayment schedule of Home Loan is displayed.

- a) In the file, the areas displayed in blue are the only cells that you can change. All other cells are write-protected. Please enter the amount of the loan in the appropriate cell. In case any moratorium is allowed, please enter the amount of principal disbursed plus interest accrued upto one month before the due date of first instalment.
- b) Enter starting month of repayment, rate of interest of the loan, name(s) of the borrower(s) and repayment period (in complete years) in column H.
- c) The system will automatically calculate the repayment as per EMI and display the same in the first column (i.e. column A).
- d) The period entered should be in complete years and not more than 20 years. If these conditions are not met, a suitable message is displayed for user's guidance.
- e) If at any point of time you feel the need to restart the program, press<Ctrl> and c together.
- f) **Printing :** After repayment schedule is finalized, go to "File", "Print" and give print command. The repayment schedule is printed (with break up of principal and interest component). **The same should be signed by the borrower and the branch official and attached to the Arrangement letter (Annexure A)**
- g) **Saving the file :** The file should be saved before closing. We recommend that the name of the file should begin with"TMHL" followed by the account number or name of the borrower, to facilitate future reference.

**'SBI-UPFRONT' HOME LOANS**  
**ADVANCE DISBURSEMENT FACILITY (ADF)**

- i) Home Loan is disbursed upfront to the builder as against stage-wise disbursements
- ii) Builders compensate purchasers of flats in projects covered under ADF benefit by way of lower prices, to the extent of their additional interest burden due to upfront disbursement of Home Loans.
- iii) Bank's Home Loans portfolio to register immediate growth as against stage wise disbursement of loans spread over a period. This also results in increase in interest income, as the entire loan amount is disbursed upfront.
- iv) Incentivisation of builders and their marketing teams in respect of business leads sourced by them.
- v) At present this product is launched in the 4 metros and in other major cities of Bangalore, Hyderabad, Jaipur and Pune.
- vi) Product will impart a significant fillip to boost coverage of tie-ups with top rated builders at the above intensive centers,

**Background:**

Home Loan market in metros and Tier-I cities have recorded robust growth during the last few years on account of the following:

- Steady surge in property prices by 15% to 20% p.a., making investment in residential realty an attractive investment option.
- Rise in high quality housing stock and improvement in transparency of property purchase transactions.
- Better affordability due to increase in disposable incomes.
- Moderate Home Loan interest rates, coupled with attractive tax breaks, facilitating effective tax planning by individual borrowers.
- Suite of value added products, flexible features and superior service standards offered by major players in Home Loan market.

2. The following recent developments are expected to give a further boost to offtake of Home Loans.

- i) 100% Foreign Direct Investment (FDI) in construction sector which is expected to improve flow of foreign funds to the sector.
- ii) Amendments in Income Tax Act in 2005-06 which provided for deduction of Home Loan repayment upto Rs.1 lac from the gross taxable income under

Sec.80C and extending these benefits to individuals with gross taxable income of more than Rs. 5 lacs.

3. With focused strategies including customized products, value added services, innovative marketing and establishment of tie-up with reputed builders etc., private and foreign Banks could book significant share of the business potential. As such, our branches in metros and other major cities like Pune, Bangalore, Hyderabad and Jaipur find it difficult to maintain the required growth momentum and arrest slide in our market share.

4. Value added services offered by various private/foreign Banks and HFCs consist of customized packages to reputed builders under tie-up, as follows

- **Advance Disbursement Facility (ADF) to builders** in terms of which the entire Home Loan is disbursed upfront to the builder as against stage-wise disbursements.
- Incentivisation of builders and their marketing teams in respect of business leads sourced by them.
- Marketing through an effective network of Direct Selling Agents (DSAs) who deploy large number of marketing executives to aggressively market their Home Loans at various corporates, institutions, residential areas and also during various promotional campaigns. DSAs also in turn incentivise the builders for directing business leads to them.
- Strategies initiated by these Banks to enter into comprehensive tie-ups with leading corporates, MNCs, institutions etc. including salary administration, by quoting finer interest rates and relaxation in other terms with a view to get mandated as preferred financier.
- Builders compensate purchasers of flats in projects covered under ADF benefit by way of lower prices, to the extent of their additional interest burden due to upfront disbursement of Home Loans.
- Builders also absorb impact of concessions in interest rates by upfront remittance to the extent of impact of such concessions for specific tenures, duly discounted. E.g. If the card rates of a bank for a Home Loan is 8.50% p.a. for a loan with a repayment tenure of 15 years, the builder may enter into a tie-up arrangement with the Bank with a provision to quote concessional interest rate of 7.50% p.a. during short term promotional drives, say for a fortnight. The difference between aggregate interest under the card rate and concessional interest rate for the specified tenure (15 years in the present case) on the Home Loan amount will be discounted by the builder at Net Present Value (NPV) and paid to the bank which will compensate the bank in respect of the concessional interest rates quoted by them.

## 5. ADVANCE DISBURSEMENT FACILITY (ADF)

In the wake of severe market competition in Home Loan market and with a view to capitalizing on the low interest rates on Home Loans vis-à-vis interest rates on commercial loans to be raised for residential realty development, large number of reputed builders in metros and other major cities insist on Advance Disbursement of Home Loans, as a pre-condition for establishing tie-ups with banks, which provides for upfront disbursement of Home Loans granted to purchasers of flats to the builders, as against stage-wise disbursements corresponding to the progress of the work. The following benefits accrue to the Builders, Purchasers, and Bank.

### Builders:

- a) Substantial float funds are placed at their disposal which enable them to complete construction of the project without availing commercial advances at high interest rates.
- b) Funds are placed at their disposal without any cumbersome formalities and documentation as Private/Foreign Banks and HFCs, in their bid to register aggressive growth, make disbursements under ADF by exchange of simple letters.

### Purchases:

- 2 As per the industry practice, builders generally compensate the purchaser of flats by giving discount on the cost of the flat to the extent of excess funds kept at their disposal at Home Loan interest rates to avoid any additional interest burden to the purchaser.
- 3 Facilitates better tax planning by Home Loan borrowers who are enabled to claim tax rebate and deduction of Home Loan interest under Sec. 80(C) and Sec.24 of Income Tax Act.
- 4 Commencement of repayment within two months after disbursement enables the borrowers to liquidate the loan early and reduce their interest burden.

### Banks:

2. Establishment of tie-ups with reputed builders and tapping significant share of metro/urban centric growth in Home Loans specially high ticket loans. The proposed provision for 100% FDI in construction sector is expected to give a further impetus to residential realty and Home Loan business in metro and urban areas.

3. Opportunity to bring to their books, borrowers with low risk profile i.e. HNIs/mass affluent/affluent NRIs/highly paid executives of MNCs and software professionals who purchase apartments promoted by reputed builders.
4. Significantly reduces chances of occurrence of frauds as submission of fake title deeds by builders and forged income documents by borrowers will be very rare, due to establishment of tie-up with reputed builders.
5. Low incidence of NPA due to low risk profile of prospective borrowers.
6. Improved brand image which will pave the way to establish tie-up with builders, Corporates, MNCs and software companies, on an increasing scale.
7. Bank's Home Loans portfolio to register immediate growth as against stage wise disbursement of loans spread over a period. This also results in increase in interest income, as the entire loan amount is disbursed upfront.

## **6. SWOT ANALYSIS**

<b>Strengths</b>	<b><i>D. Weaknesses</i></b>
3 New Product to address requirements of niche group i.e. reputed builders.	7 Loans disbursed will be clean and unsecured in nature until completion of construction and creation of equitable mortgage.
4 Improve functionality of our Home Loans due to adoption of best practices in the market.	8 No recourse to builder since no documents are executed by them to safeguard Bank's interest on disbursements make upfront.
5 Better brand image for the Bank by adopting best practices implemented by our competitors.	9 Product is not suitable when residential realty market experiences depression and fall in prices.
6 Enables us to position ourselves as providers of complete Home Loan solution instead of extending plain vanilla Home Loans.	

1. Opportunities	2. Threats
<p>i) Bright prospects to boost relationships with reputed builders and book bulk business</p> <p>ii) Will pave the way for optimally tapping the business potential on account of likely spurt in construction sector due to relaxation of extant provisions permitting 100% FDI in construction sector</p>	<p>iii) Difficulty in realization of loans in cae of builder's failure to construct/abandoning of project midway.</p> <p>iv) Difficulty in recovery of loans from the borrowers as the loans are clean and unsecured.</p>
<p>v) Bright prospects to boost relationships with reputed builders and book bulk business</p> <p>vi) Will pave the way for optimally tapping the business potential on account of likely spurt in construction sector due to relaxation of extant provisions permitting 100% FDI in construction sector</p>	<p>vii) Difficulty in realization of loans in cae of builder's failure to construct/abandoning of project midway.</p> <p>viii) Difficulty in recovery of loans from the borrowers as the loans are clean and unsecured.</p>
<p>ix) Opportunity to bring to our books Home Loan borrowers with low risk profile viz. HNIs/mass affluent/affluent NRIs/highly paid executives of MNCs/young software professional etc.</p> <p>x) Alliance with reputed builders and borrowers with low risk profile significantly reduces chances of commission of frauds by builders/borrowers by submission of forged/fake documents.</p> <p>xi) Lower incidence of NPA's</p> <p>xii) Upfront disbursement enables quicker growth in Home Loans vis-à-vis stage wise disbursement.</p>	

## **7. RISK MATRIX**

<i>E. Credit Risk</i>	<i>F. Risk Mitigation</i>
<p>a) Disbursements under the Scheme will be clean and unsecured in nature with possible difficulty in realization of dues if the builder fails to</p>	<p>b) Proposed to be extended selectively to reputed builders, who strictly fulfill the eligibility criteria stipulated.</p> <p>c) Further, the product is initially</p>



construct the project or abandons it mid way through construction.	proposed to be test launched only in the 4 metros and a few other select cities of Bangalore, Hyderabad, Pune and Jaipur and will be suitably refined based on a review thereof after six months.
<b><i>G. Operational Risk</i></b>	<b><i>H. Risk Mitigation</i></b>
d) Adverse selection of builders for extension of ADF.	e) Approval of builders for extension of ADF will be accorded by General Manager in respect of his network and subject to fulfillment of the eligibility criteria which will mitigate the risk of adverse selection.
f) Failure to monitor the progress in construction of the projects approved under ADF.	g) As all Home Loans in respect of specific projects of builders which are considered for extension of ADF are proposed to be domiciled in designated branches with required infrastructure and expertise, these branches will be able to closely monitor the progress in construction of the projects.

<b><i>I. Market Risk</i></b>	<b><i>J. Risk Mitigation</i></b>
h) Failure of the builder in completion of the projects/insolvency of the builder. i) Depression in real estate market with negative fall out of slump in real estate prices.	j) ADF is proposed to be extended to builders with a good track record and subject to fulfillment of the stipulated eligibility criteria. k) Real estate market has been growing at a steady clip by 30% in metros/major cities and the prices of residential realty in metros have been increasing between 15% and 20% . In view of the shortage of high quality housing stock in metros and with improved tax breaks in the recent budget, further boost in demand is expected. Further, the Bank can review/withhold extending ADF if and when depression is envisaged in the real estate market.

## 8. 'SBI-UPFRON' HOME LOANS:

Sl.No.	Parameter	Particulars
i	<b>Name of the Scheme</b>	<b>'SBI-UPFRONT' HOME LOANS</b>
ii	Credit Information System (CIS) Code	
iii	Purpose	Extending Advance Disbursement Facility (ADF) under tie-up with a reputed builders in respect of specific approved residential project where a Home Loan granted to a borrower is proposed to be disbursed upfront to the builder irrespective of the stage of completion as against the present system of stage-wise disbursement corresponding to the progress of construction.
iv	Eligibility	<p>Builders should satisfy eligibility conditions stipulated in Annexure 'B' and should execute a simple letter of undertaking agreeing to (a) deliver the title deeds favouring the purchaser of the flat directly to the Bank and (b) insist on 'No-Objection Certificate' from the Bank before cancellation of Agreement of Sale and refund of payment(s) received there under and (c) to convey Bank's security interest over the flat to the Society, if any, proposed to be formed after completion of construction for noting Bank's charge in Society's record etc.</p> <p>Thrust will be given in respect of :</p> <p>a) projects promoted by <u>reputed builders</u> who enjoy CRISIL rating of DA 1/ DA 2 and /or ICRA rating of DR1, DR2+/DR/DR2-, which indicate developer's ability and excellent past track record in executing real estate projects as per specified quality levels and conveyance of title deeds within stipulated time schedule and strong project execution capacity of the developer/builder.</p> <p>b) <u>projects</u> with CRISIL rating of PA1/PA2 and/or ICRA rating of RT1, RT2+/RT2/RT2- which indicate highest ability of the developer to specify and</p>

		build to agreed quality levels and transfer clear title within stipulated time schedule and where the project risk factors are very low.
v	Authority Structure	<p><b>Designated branches</b></p> <p>Proposal to extend 'SBI-Upfront' loans in respect of an identified project will be processed by DGM/AGM/(PBU) and put up on the Appraisal format as per Annexure-'E' to General Manager of the Network alongwith copies of documents as per checklist given in Annexure-D. PBU Head should arrange for pre-sanction inspection of site, discussion with the builders, obtaining lawyer's report, valuation report etc. Further PBU Heads should also identify branches with required infrastructure and expertise (preferably Special Housing Finance Branch/PBBs/other intensive branches with incumbency of Scale IV and above) for sanction of Home (under ADF) with least turnaround time (TAT).</p>
		<p><b>General Manager (Network)</b></p> <p>Approval of reputed builders for extension of ADF on the basis of proposals put up by PBU Heads. During the pilot launch GM of Network should approve specific projects of reputed builders for extension of ADF, which will fulfill eligibility criteria as per Annexure 'B'. All sanctions should be put up to CGM (Circle) for control.</p> <p><b>Progress Report to Corporate Centre</b></p> <p>With a view to enable Corporate Centre to monitor the progress made in this regard consolidated report on approvals granted under the Scheme should be submitted to GM (Personal Banking) at monthly intervals in the pro forma as per Annexure 'F'</p> <p><b>Post sanction periodic inspection of the project</b></p> <p>In view of the security risks involved, DGM/AGM(PBU) should arrange for quarterly inspection of the project site to ensure progress of construction, as envisaged and should submit report to GM of Network in this regard, including adverse features, if any observed, after holding discussions with the builder . (This should be in addition to the inspection carried out by the designated branch where the loan is domiciled)</p>
vi	Exposure Ceiling	Exposure under ADF is proposed to be subject to a ceiling of 50% of the value of individual projects, with a right of first refusal to us as preferred

		<p>financier, until our exposure ceilings are fully availed by the builder/developer. The exposure ceilings should be effectively monitored at Circle level. If the project is financed by MCG, the sum in excess of instalments due shall go to Term Loan A/c and to that extent no prepayment penalty shall be changed.</p> <p>The exposure ceilings as above will be subject to annual review of the overall exposure to the builder/developer, project-wise, with provision to incorporate details wherever there is inordinate delay in conveyance beyond the agreed timelines i.e. moratorium period. The annual review as above is proposed to serve as an early warning alert to the ADF Sanctioning Authority , to take a considered view whether there is a need to limit further exposure on such builders, until remedial action has been initiated to rectify the irregular features.</p>
vii	Home Loan documents	In addition to the regular Home Loan documents, branches/RACPCs sanctioning loans under 'SBI-Upfront' Home Loans should execute a tripartite agreement cum Power of Attorney (Annexure 'A') with the borrower and the builder.
viii	Security	As the Home Loans are proposed to be disbursed upfront, these loans will be clean and unsecured until completion of construction, conveyance of title deeds and completion of equitable mortgage formalities.
ix	Undertaking proposed to be obtained from the builder	Letter of Undertaking referred to in (iv) above as per Annexure 'C'
x	Marketing	In view of the significant business potential under the Scheme for establishment of tie-up with builders, Home Loan Outbound Sales Force/Home Centre/Marketing Teams at PBU should initiate aggressive marketing strategies to give wide publicity to the Scheme among the target builders, maintain close liaison with them and flat purchasers and arrange to extend door step services matching with our major competitors, including special marketing campaigns.

xi	Other concessions (in line with the concessions made available to reputed builders who are approved under extant guidelines in this regard)	<ul style="list-style-type: none"> <li>• Provision for single consolidated Search Report from impaneled lawyer/single consolidated Valuation Report from empanelled valuer (cost will be borne by the Bank)</li> <li>• Discretionary powers to GM (Network) to reduce margin upto 10%.</li> <li>• Sharing of joint publicity expenditure towards cost of advertisement, brochures, banners, hoardings, joint property fairs etc. will be shared with the builder up to a</li> </ul>						
xi	Service charges to Builders	<p>To overcome the severe market competition and in line with the industry practice it has been decided to designate the reputed builders approved for extension of ADF as our Direct Marketing Associate and to pay the following service charges to them on the basis of amount of business sourced by them. The service charges will be paid only after sanction and full disbursement of the loans (only 50% of normal service charges will be payable in respect of loans with the repayment tenure of upto 5years). Impact of service charges on the interest earnings will be very negligible (will be equivalent to an interest rate concession of 0.003% to 0.006% in respect of a 15 year loan)</p> <table border="1" data-bbox="687 1193 1437 1406"> <thead> <tr> <th data-bbox="687 1193 1046 1312">Threshold business levels from a specific project</th> <th data-bbox="1046 1193 1437 1312">Service charges</th> </tr> </thead> <tbody> <tr> <td data-bbox="687 1312 1046 1361">Upto Rs. 5 cr</td> <td data-bbox="1046 1312 1437 1361">0.30%</td> </tr> <tr> <td data-bbox="687 1361 1046 1406">Above Rs. 5 cr</td> <td data-bbox="1046 1361 1437 1406">0.50%</td> </tr> </tbody> </table>	Threshold business levels from a specific project	Service charges	Upto Rs. 5 cr	0.30%	Above Rs. 5 cr	0.50%
Threshold business levels from a specific project	Service charges							
Upto Rs. 5 cr	0.30%							
Above Rs. 5 cr	0.50%							
xii	Disbursement of loan	<p><u>Will be disbursed upfront by debiting Home Loan account and crediting Builder's account/ issue of Banker's cheque crossed 'Account Payee Only' also incorporating the name of Builder's banker and account number and dispatched by registered/speed post and by courier.</u></p> <p>The designated branches should arrange to furnish details of impact on account of the additional interest burden due to upfront disbursement of Home Loans instead of stage-wise, disbursement, to the prospective borrowers at the time of sanction of loans, for better transparency.</p>						

xiii	Risk Weight	Loans disbursed under the scheme will carry 100% risk weight instead of 75% for Home Loans, till mortgage is created.
xiv	Pricing	Keeping in view the risk factors as also impact of costs on account of sharing of publicity expenditure, builder commission etc., it has been decided to price the loans under the scheme at the <u>applicable card rates and</u> not to consider any improvement in pricing hitherto granted in respect of tie-up with builders.

9. Initially this product is launched in the 4 metros and in other major cities of Bangalore, Hyderabad, Jaipur and Pune. The arrangements will be reviewed after six months keeping in view the experience and market feedback. As the product will impart a significant fillip to boost coverage of tie-ups with top rated builders at the above intensive centers, Circles may arrange to hold Builders' meet and disseminate the product USPs with ample publicity so that it will pave the way for robust growth of quality business specially big ticket loans. The outcome of efforts in this regard may be advised to us, in due course. Needless to add, Circles should exercise adequate precaution to ensure that the builders identified for extension of 'SBI-Upfront' Home Loans strictly fulfills the stipulated eligibility criteria, in view of the unsecured nature of such loans initially, and other risk factors involved.

(To be stamped as an agreement and Power of Attorney)

**VI. DRAFT TRIPARTITE AGREEMENT FOR 'SBI UPFRONT' HOME LOANS**

This Agreement made the \_\_\_\_\_ day of \_\_\_\_\_ Two Thousand \_\_\_\_\_ between (I) Mr./Mrs./Ms. \_\_\_\_\_, son/daughter/ wife of Mr./Mrs/ Ms. \_\_\_\_\_, aged \_\_\_\_\_ years and Mr./Mrs./Ms. \_\_\_\_\_, son/daughter/ wife of Mr./Mrs/ Ms., presently working at \_\_\_\_\_ (place) and having residence at \_\_\_\_\_ (hereinafter called as 'Borrower' which shall mean and include his/her/their heirs, executors, administrators and legal representatives) and assigns of the First Part, (II) \_\_\_\_\_, a company incorporated under the Companies Act, 1956/ partnership firm having its registered office at \_\_\_\_\_ (hereinafter referred to as the 'Builder' through its Secretary or any other officer authorized by him/her in this behalf which expression shall include, unless repugnant to the context, its successors and assigns) of the Second Part, and (III) State Bank Of India, a banking corporation incorporated under the State Bank Of India Act, 1955, having its Corporate Centre at Mumbai and a branch office/ Retail Asset Credit Processing Centre (RACPC) at \_\_\_\_\_ (hereinafter called the 'Bank') which expression shall unless repugnant to the context, include its successors and assigns of the Third part.

**WHEREAS**

- State Bank Of India is, inter alia, engaged in the business of providing financial facility of Home Loans for purchase of residential property.
- The Builder is engaged in the business of construction and/or sale of residential property and is developing property at such place as stipulated in the Schedule I (hereinafter referred to as 'Premises').
- The Builder is desirous of promoting the sale of the property by entering into tie-up with the Bank for provision of Home Loans to purchaser(s) of flat/house for buying the property mentioned in Schedule II (hereinafter referred to as "the Property") and has approached the Bank for entering into tie-up in this regard).

- The Builder and the Borrower(s) have requested SBI to sanction/ disburse loans in favour of the Borrower(s)/s on the basis of the allotment letter, No Objection certificate issued by the Builder, receipts issued by the builder favouring the purchaser of property evidencing payment of margin money.
- AND WHEREAS the Borrower(s) desires to purchase the property from the Builder as per the allotment letter issued by the Builder to the Borrower(s). A copy of the letter of allotment issued by the Builder to the Borrower(s) alongwith the terms and ocnditions of allotment is annexed herewith (AnnexureI).
- AND WHEREAS the Borrower(s) has, under the provision of the 'SBI-Upfront' Home Loan Scheme framed by the Bank, applied to the Bank for a Home Loan of Rs. \_\_\_\_\_for purchase of a property under the said Scheme and the Bank has agreed to sanction a loan of Rs. \_\_\_\_\_ to the Borrower(s) (hereinafter referred to as the 'Loan' for purchase of property subject to the terms and conditions applicable to the said scheme such as mortgage of the property, rate of interest of loan including penal interest in case of default, processing fee, repayment tenure etc.
- WHEREAS the Borrower(s) has already paid to the Builder a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) as part payment towards the purchase of the property detailed in Schedule II.
- AND WHEREAS on or before the execution of the agreement the Builder has represented and assured to the Bank in terms of their letter at Annexure II as follows:
  - The property proposed to be sold is free from all encumbrances.
  - The Builder has full power and authority to sell and transfer the property unto and in favour of the Borrower.
  - That the agreement for sale shall be entered into/has been entered into between the Borrower(s) and the Builder.
  - That the plan for construction of the premises has been lawfully and validly sanctioned.
  - That the Builder is empowered under the \_\_\_\_\_deed No.\_\_\_\_\_dated \_\_\_\_\_ executed between the original owner



of the property and the Builder to develop and construct the land and also to execute conveyance deed on behalf of the owner.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**(1) OBLIGATIONS OF THE BANK**

**1.1.** The Bank shall disburse the loan amount to the Builder by credit to the Builder's current account maintained at \_\_\_\_\_ Branch of the Bank or by issue of Account Payee Banker's cheque/Demand Draft in favour of the builder with their account number and name of the bankers, in lumpsum or otherwise within the time specified in the allotment letter or as and when required by the Builder by a written notice to the Borrower(s), dispatched directly to the Builder by registered post/speed post/ courier.

**(2) OBLIGATION OF THE BORROWER(S)**

- a. The Borrower(s) shall unconditionally consent for disbursement of the entire loan amount upfront to the Builder on the basis of the demand notice issued by the Builder, irrespective of the stage of construction. The Borrower(s) will arrange to remit the margin amount directly to the builder and furnish receipt issued by the Builder evidencing remittance of margin amount/ will arrange to remit the margin amount to the credit of Home Loan account to enable the Bank to pay the consolidated amount (margin and loan) directly to the Builder.
1. The Borrower(s) undertakes to create and complete the equitable mortgage formalities immediately on receipt of the conveyance/ sale deed from the Builder by the Bank.
2. the Borrower(s) shall execute all necessary loan documents at the time of sanction of Home Loan for purchase of the said property.
3. The Borrower(s) undertakes to liquidate the loan sanctioned to him on demand by the Bank regardless of the progress in construction/completion of the project and indemnify the Bank for any loss occasioned on account of delay in construction of the house/flat in terms of the construction schedule in the Agreement for sale/Allotment letter by the Builder, including but not limited to claims of the Bank for interest, penal interest, damages, costs etc. on the outstanding amounts

of the loan extended to the said Borrower(s) by the Bank's flat/purchase in terms of construction schedule as mentioned in the Agreement for Sale/ Allotment letter or

(3) **OBLIGATION OF THE BUILDER**

- a. The Builder shall issue a written notice for disbursement of the loan amount to the Borrower(s) who shall forward the same to the Bank alongwith the allotment letter and other necessary papers as required by the Bank.
- b. The Builder shall maintain a proper account for the Borrower(s) in respect of the loan instalments disbursed by the Bank directly to the Builder and adjust the amount against the cost of the property being built in the name of the Borrower(s).
- c. The Builder undertakes to provide the original, executed, duly stamped and registered agreement for sale, original registration receipt and letter of authority form the Sub-registrar and/ or sale deed in favour of the Borrower(s) within a period not exceeding ..... days from the date of disbursement of the loan to the Builder by the Bank. The Builder shall ensure that effective security is created in favour of the Bank in the manner prescribed by the Bank. In the event of failure of the above or in event of any litigation affecting the said property, the Builder shall promptly and immediately refund all the monies disbursed by the Bank together with interest at the rate accrued on such loans including penal interest applicable thereon. In the event, the Borrower(s) requests for cancellation of the allotment/ Agreement for sale the Builder shall obtain Bank's prior written No Objection Certificate as also remit the loan amount disbursed by the Bank with interest at the rate accrued on such including penal interest applicable thereon from the proceeds of the cancellation of the Agreement for sale and remit the same directly to the Bank by issue of cheque favouring the Bank for credit of the Borrower(s) Home Loan account and to remit the residual amount to the borrower/ shall arrange to refund the proceeds of cancellation of Agreement of Sale directly to the Bank under advice to the borrower. If the Borrower(s) fails to pay his stipulated margin amount, the entire amount advanced

by the Bank will be refunded by the Builder to the Bank, together with interest due including penal interest, if any. The Builder undertakes to obtain completion certificate and certificate of occupation issued by the Competent Authority in respect of the property and also undertakes that on execution of conveyance deed, it shall be deposited with Bank. The Builder shall not hand over the possession /conveyance deed of the property to the Borrower(s) without the prior written permission of the Bank. The Builder agrees, undertakes and confirms to obtain such written consent from the Bank.

- d. The Builder shall duly complete the construction of the project in timely manner and according to the construction schedule in relation to the stages of construction as mentioned in the allotment letter/ Agreement for Sale, whichever is earlier. The Builder undertakes to produce, at their cost, photographs showing the progress of construction work carried out, which photographs besides showing portion of the neighbouring properties, shall be certified by persons whose certificates are acceptable to the Bank, as and when demanded by the Bank. The Builder also undertakes to inform the Bank at every stage about the progress of the project and note to obtain Bank's prior written consent before undertaking any material changes in the project construction.
- e. The Builder hereby undertakes to issue a letter favouring the Bank inter alia, giving its No Objection for the Borrower(s) creating security in favour of the Bank, by way of mortgage, of the right, title, interest of the Bank in the shares allotted to him/her/them and of the said flat for repayment of the Loan and all amounts in respect thereof by the Borrower(s), to note the charge of the Bank on the said flat(s) in its records as security against the Loan advanced by the Bank to the Borrower(s) and not to permit the Borrower(s) to transfer/encumber the said property, without the prior written permission of the Bank. The Builder hereby irrevocably and unconditionally guarantees the due repayment to the Bank of all the amounts disbursed to the Builder together with all interests and all other monies, owing and payable by

the Borrower(s) to the Bank, in the event of any breach by the Builder of any warranty, representation covenant, or agreement contained herein.

- f. The Builder shall not change the said flat/house allotted to the Borrower(s) without the written permission of the Bank.
- g. The Builder unconditionally agrees to deliver the title deeds/conveyance deeds of the property favouring the Borrower(s) directly to the Bank. The Builder hereby agrees, undertakes and confirms that the proceeds of the loan shall utilized specifically for construction of the property and shall not be appropriated towards the cost of any other property purchased by the Borrower(s) other than the scheduled property and shall not set off the loan amount against any other dues of the Borrower(s) to the Builder.
- h. The Builder undertakes to indemnify and save harmless the Bank, its successors and assigns, against any and all suits, claims, counterclaims, actions, damages, penalties, expenses (including reasonable attorney's fees and court costs) or liabilities of which the Bank shall suffer as a result of :
  - i. failure on the part of the Builder to execute, duly stamp, register and deposit the Agreement for Sale and the Sale Deed with the Bank within \_\_\_\_\_ days from the date of disbursement of the Loan to the Builder by the Bank;
  - ii. any breach by the Builder of any warranty, representation, covenant, or agreement contained herein.
  - iii. The Agreement for Sale/Sale Deed entered into between the builder and the Borrower(s) becoming unenforceable due to imperfection in documentation of Agreement for Sale/ Sale Deed.
  - iv. Any loss caused to the Bank on account of delay in construction by the Builder, including but not limited to claims of the Bank for interest, damages, costs etc. on the outstanding amounts of the loan extended to the said Borrower(s) by the Bank.
    - i. The Builder hereby authorizes the Bank and each of its agents and nominees as Attorneys for and in the name of the Builder to execute the Agreement for sale and the Conveyance/Sale Deed in favour of the

Borrower(s) if the Builder fails to execute the same within \_\_\_\_\_ days of final disbursement of loan to the Builder by the Bank.

- j. The Builder shall not sell, assign, mortgage, charge or in any way encumber or alienate the said premises and the property or any part thereof so long as the Borrower(s) is/are indebted to the Bank in the said loan account without prior written permission from the Bank.
- k. The Bank shall be at liberty to inspect the property as also the premises at any reasonable time. The Builder undertakes to furnish all such information/documents/particulars as required by the Bank whatsoever as and when called upon to do so by the Bank in respect of the property.
- l. The Builder shall at their cost insure and keep insured the apartment project against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God for such other risks for its full market value until it is completed in all respects and handed over to the Borrower and shall deliver copies of the insurance policies, cover notes, premium receipts etc. to the Bank. If the Builder fails to effect such insurance the Bank will be at liberty but not obliged to insure the said apartment project against the aforesaid risks and the Builder unconditionally undertakes to remit the premium so paid by the Bank within \_\_\_\_\_ days of such remittance. The Builder also undertakes to remit to the Bank proportionate share of all money payable under any such policy or under any claim made thereunder, towards the property in the apartment project financed by the Bank.
- m. The Builder undertakes to submit Search Report from empanelled lawyer certifying builder's /third party's (owner) clear, absolute, marketable title to the premises where the proposed property is to be constructed and submit copies of all mandatory legal clearances under various extant building laws and other legal enactments. The Builder also undertakes to furnish copies of current and valid approved plans including follo plans approvals/NOC's/clearances from various Authorities.
- n. The Builder undertakes that the project will be completed within a period of 24 months from the date of commencement of construction of the apartment project.

- o. The Builder certifies that \_\_\_\_% of the development cost/construction work of the premises has already been invested in respect of the premises for which the Builder has sought extension of Home Loans under 'SBI-Upfront' Home Loans.

**(3) Stamp Duty & Other Charges**

All stamp duty and charge payable for registration of the deed of conveyance or transfer and also on deed of mortgage or charge shall be paid by the Borrower(s). If the Borrower(s) desires to withdraw from the agreement or in the event of cancellation of allotment of the property for whatsoever reasons or if he/she /they fail(s) to pay the balance amount being the difference between the loan sanctioned by the Bank and the provisional/final price of the property of the contract between the Builder and the Borrower(s) is terminated or rescinded for whatever reasons, the Builder shall refund the entire amount received by them alongwith interest the Bank. After receipt of the aforesaid amount from the Builder if any balances remain outstanding in the loan account of the Borrower(s), the same will be recovered from the Borrower(s) alongwith interest.

**(4) Governing Law**

The provisions of this Agreement shall be governed by, and construed in accordance with the laws of India in all respects, including matters of construction, enforcement and performance and the competent Courts of Mumbai shall have exclusive jurisdiction to try any matter arising from or relating to this Agreement.

**(5) NOTICES**

Unless otherwise proved herein, all notices or other communications under or in connection with this agreement shall be given in writing and may be sent by personal delivery or post or courier or facsimile.

**(6) Assignment**

This Agreement may not be assigned by any party without prior written consent of the other parties provided that the Bank shall be entitled to assign the rights and obligations to any of its affiliates/subsidiaries and such other parties. However, the Bank shall put a notice of such assignment the Builder/Borrower(s).

**SCHEDULE {PREMISES-PARA(b)}**

Property situate at \_\_\_\_\_ Survey No. \_\_\_\_\_ Village\_\_\_\_\_

Taluk: \_\_\_\_\_ District \_\_\_\_\_

(i) SCHEDULE {PREMISES-PARA(c)}

House/Flat No. \_\_\_\_\_ situated at \_\_\_\_\_

Admeasuring \_\_\_\_\_ sq. ft.

East by \_\_\_\_\_ West by \_\_\_\_\_

North by \_\_\_\_\_ South by \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Agreement on the day, month and year hereinabove appearing.

**SBI**

**BUILDER**

**BORROWER(S)**

## 'SBI-UPFRONT' HOME LOANS

### {ADVANCE DISBURSEMENT FACILITY(ADF) TO BUILDERS}

#### **VII. ELIGIBILITY CRITERIA FOR APPROVAL OF PROJECTS**

##### **I. LEGAL ASPECTS:**

Sl. No.	Stipulation
i	Search Report from empanelled lawyer certifying builder's/third party's (who owns the property) clear, absolute, marketable title to the property where the proposed project is to be constructed*
ii	Builder should be in possession of all mandatory legal clearances under various extant building laws and other legal enactments e.g. Maharashtra Apartment Ownership Act. 1963*
iii	In case of Joint development agreement, lawyer's report should specifically confirm validity of the agreement and should also verify and certify about the 'No Objection Certificate (NOC) from the owner of the property and documentary evidence in respect of consideration paid to owners in this regard*
iv	In case of ownership of property by third party, lawyer's report should confirm about clear and unambiguous contract between the owner and the builder in respect of conveyance of title to the buyer*
v	Project should not be located in natural calamity prone areas based on past experience in this regard
vi	No pending litigation in respect of the property in any court of law and legal compliances not disputed by Urban Development Authority/Local Body.

(\*copies of all the title deeds, non encumbrance certificate, land tax paid receipts, agreements, contracts, NOC and other documentary evidences should be obtained and kept on record alongwith lawyer's report)

##### **II. TECHNICAL ASPECTS**

i	Current and valid approved plans including floor plans and approvals/NOC's/clearances from State Government/Urban Development Authority/Local Body in respect of water/electricity/sewerage (both "off-site and internal) /solid waste management/fire fighting arrangement/rain water harvesting/lift & elevator/other mandatory safety regulations should be obtained and verified to ensure that the project is being constructed in accordance with the conditions stipulated therein. Availability of off-site infrastructure provided by local bodies, availability of social infrastructure by builder/ developer linked with stages of habitation.
ii	Prospects of completion of the project within the expiry period stipulated in the approvals from Urban Development Authority/Local Body should be satisfied considering the progress in construction so far.
iii	The project should have adopted latest technology and design to resist damage on account of earthquake, flood, cyclone, fire, lightning etc. and also to ensure structural soundness. Valuation report from the empanelled valuer should



	contain specific comments on these aspects and also comments on the design of the project.
iv	Project should be easily accessible from the nearest bus station/railway station (except in the case of self contained townships). Basic infrastructure viz. hospitals, schools, markets, restaurants, parks, playgrounds should be located within a radial distance of 3 kms from the proposed project.
v	The area should not be prone to frequent social disturbances based on past experience.
vi	The project should have provision for basic amenities. Projects consisting of premium apartments (i.e. flats costing Rs. 50 lacs and above) should also provide for modern and posh amenities.
vii	Architect and Project Consultant should be qualified, reputed and should have been involved in successful execution of a minimum of two residential projects consisting of at least 50 flats. The builder should have set in place adequate MIS and project management systems in the line with the size of the project.
vii	Project completion period should not exceed 24 months which should be critically looked into the backdrop of the promoter's track record in timely completion of the project.  <b>Timely completion and conveyance of title in respect of the last 3 projects promoted by the builder, to be verified and satisfied.</b>
ix	A minimum of 15% of the development cost/construction work of the project should be invested before considering extension of 'SBI-Upfront' Home Loans, Certificate in respect of the expenditure incurred duly certified by the Chartered Accountant should be obtained and progress of work should be verified based on site inspection report and also photographs evidencing the present stage of construction.

### **III. PROMOTERS:**

	The constitution of the builder should be a partnership firm, Pvt. Ltd. Company or Public Ltd. Company ( <b>The facility should not be extended to proprietorship concern</b> )
ii	Key promoters should be reputed and well experienced in construction of residential/commercial complexes for at least 5 years.
iii	The builder/other firms with at least 75% common promoters/should have completed at least 3 residential projects with a minimum of 100 flats.
iv	Builders should not have incurred net losses during the last 3 financial years.
v	Discreet enquiries with at least 3 owner-occupants selected on random basis in respect of each of the last 3 completed projects regarding: <ol style="list-style-type: none"> <li>1. Timely completion of construction and delivery of flats.</li> <li>2. Quality of construction</li> <li>3. Timely conveyance of clear, absolute and marketable title of the flats.</li> </ol> which should reveal satisfactory position. Suitable record of feedback/comments should be maintained alongwith their names, addresses and telephone numbers.
vi	Detailed profile of the Builder, promoters and directors with details about Authorized and Paid Up Capital of the Builder, share holding pattern, Other

	Group Companies engaged in construction activity and other companies in which promoters and directors are partners/directors should be compiled which should not reveal any adverse features.
vii	Copies of Partnership Deed/Memorandum & Articles of Association/Certificate of Incorporation/Certificate of Commencement of business, proof of residence/proof of identity/signature identification/passport size photographs of the promoter/partners/ directors should be obtained and kept on record.
viii	Copies of audited financials, Income Tax Returns, Income Tax Assessment Orders for the last 3 years should be obtained and subjected to brief analysis to ascertain Net Sales, Net Results, Current ratio, TOL/TNW, contingent liabilities (their nature and provisions made) etc. Adverse features should be discussed with the Builder and satisfactory explanation should be obtained. Further, we should also ascertain from the Builder about the likely liquidated damages and provisions made by them to meet the same. Risk sharing mechanism in the event of delay or deviation, defective construction techniques etc. should be ascertained and found acceptable.
ix.	Profile should be compiled on Builder's completed residential projects i.e. name of the project location, address, month and year of commencement of construction, number of flats constructed, price range of flats, project value, carpet area, plinth area, built up area, super built up area of various projects.
x	<b>Builder should be affiliated to the industry body e.g. State Chamber of Housing Industry which should be affiliated to CREDAI (Confederation of Real estate Dealers Association of India) e.g. MCHI (Maharashtra Chamber of Housing Industry or accredited national/regional level associations. Projects promoted by builders who enjoy the top two ratings/gradings assigned by credit rating agencies like CRISIL, ICRA, CARE and builders who enjlu ISO certification should be specifically targeted for marketing the facility.</b>
xi	Profile on the proposed project, date of commencement of construction, number of flats, price for various types of flats, project value, carpet area, plinth area, built up area and super built up area of the flat, probable date of completion, means of funding, the project, price competitiveness. Copy of the publicity brochure brought out by the builder should also be obtained and kept on record.
xii	<b>Projected cash flow statement for the proposed project should be obtained and analyzed to ensure ability of the builder to complete the project in time.</b>
xiii	Proposed management structure after the completion of the project i.e. Society or Association of Apartment Owners, arrangements to convey the title to society or individual purchasers. Suitable undertaking should be obtained from the builder agreeing to deliver the title deeds in respect of individual purchasers directly to the bank/notifying bank's charge on the flats to the Society proposed to be formed after completion of construction. The undertaking should also provide for builder insisting on No Objection Certificate from the Bank before cancellation of Agreement of Sale and refund of the payment made.
xiv	Arrangements should be put in place for insuring the project against all risks during construction stage. A copy of the insurance policy should be obtained for our record.
xv	Minimum assured business of at least 25% of the project value should be

	booked by us (40% of the project value in respect of projects funded by us)
xvi	Credit facilities, if any, availed by the builder from our Bank/ other Bank i.e. limits, date of sanction, present outstandings, credit rating, IRAC rating etc. to be verified Opinion report should be obtained in respect of credit facilities enjoyed from other banks which should reveal satisfactory conduct of the facilities.
xvii.	Discret enquiries should be made whether any existing/ongoing project of the builder has been approved by any major Banks/HFCs. If so, the name of the Bank(s)/HFC(s). If not, reasons to be ascertained and recorded.  Whether the proposed project is approved for ADF by any other Bank/HFC and if so, their names.
xviii	Discret enquiries whether Advance Disbursement Facility (ADF) has been extended to at least one completed/ongoing/proposed project(s) of the Builder by any bank/HFC. If so, the name of the Bank(s) and HFC(s). If not, the reasons to be ascertained and recorded.
xix	Mechanism for redressal of grievances of the purchaser and on penalty clause should be available in the Agreement of Sale providing for compensation of the purchaser by the Builder for deviating from the terms offered in the Agreement of Sale/Prospectus  The nature and extent of litigation, if any, initiated against the developer by Govt./Local Bodies/flat owners/social organizations and general public to be examined.
xx	Market perception about the builder/developer and the project should be ascertained and recorded.

(In Builder's letter head and signed by authorized signatory (ies))

From

.....  
.....

To,

The Dy. General Manager/ Asst. General Manager, Personal Banking Unit,  
State Bank Of India,  
Local Head Office,

Dear Sir,

**VIII. 'SBI-UPFRONT' HOME LOANS**

**APPROVAL OF .....(NAME AND ADDRESS OF THE RESIDENTIAL PROJECT) FOR EXTENSION OF ADVANCE DISBURSEMENT FACILITY (ADF)**

We forward herewith the documents as per Annexure and request you to approve our above residential project for granting 'SBI- Upfront' Home Loans with Advance Disbursement Facility. In this connection, we unconditionally and irrevocably agree to:

- i. deliver the title deeds favouring the purchaser of the flat directly to your branch.
- ii. insist on 'No-Objection Certificate' (NOC) from your branch before cancellation of Agreement of Sale and refund of payments(s) received there under.
- iii. convey your Bank's security interest over the flat to the Society/ Apartment Owners Association, if any, formed after completion of construction for noting charge in respect of the flats financed by you.
- iv. utilize the proceeds of the loan disbursed upfront only for construction of the proposed project.
- v. provide details of the progress of construction on monthly basis till the completion of the project, including photograph evidencing progress of work.
- vi. facilitate inspection of the project by your officials to ascertain the progress of work.

2. We also forward herewith:-

- i) Architect's Certificate regarding completion of construction of 15% of the project and photograph of the project evidencing completion of the project so far.
- ii) Chartered Accountant's Certificate regarding investment of our stake of 15% of the project cost.

Yours faithfully,

(Authorized Signatory)

## LIST OF DOCUMENTS:

- i)** Search Report from empanelled lawyer certifying Builder's/third party's (who owns the property) clear, absolute and marketable title to the property where the project is proposed to be constructed together with copies of title deeds and other documents as mentioned in Lawyer's report.
- ii)** In case of joint development agreement, 'No Objection Certificate (NOC) from the owner of the property and documentary evidence of consideration paid to the owners.
- iii)** In case of ownership of the property by third party, copy of the contract between builder and owner of the property in respect of conveyance of title to the proposed buyers.
- iv)** Copies of current and valid approved plans/approval/ NOCs/clearances other mandatory legal clearances from State Government/Urban Development Authority. Local Body in respect of construction/water/electricity/sewage/solid waste management/fire fighting arrangements/rain water harvesting/other mandatory safety regulations under various extant builder laws and other enactments e.g. Maharashtra Apartment Ownership Act 1963 etc.
- v)** Certificated from Architect regarding technology and design to resist damage on account of earthquake, flood, cyclone, fire, lightning etc.; structural soundness the present stage of progress of work including photograph of the property at the current stage of progress.
- vi)** Details of basic amenities viz. parking space, play area, garden lawns, round the clock security, intercom, fire fighting arrangements.
- vii)** Details of modern amenities (in case of premium apartments) i.e. swimming pool, club house, multi gym, landscaped garden etc.
- viii)** Profile of Architect and Project Consultant.
- ix)** Certificate from Chartered Accountant regarding expenditure incurred so far towards progress of work.
- x)** Profile of promoters/projects duly incorporating details required as per eligibility criteria.
- xi)** Copies of Partnership Deed/ Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business. Proof of residence/proof of identification of the promoters/partners/directors.
- xii)** Copies of audited financials, Income Tax Returns, Income Tax Assessment Orders for the last 3 years.
- xiii)** Profile of completed projects as per proforma enclosed.
- xiv)** Copy of affiliation certificate to State Chamber of Housing Industry.
- xv)** Copy of rating, if any, awarded to the Builder by CRISIL/ICRA/CARE.
- xvi)** Profile of the proposed project.
- xvii)** Project's cash flow statement during the construction period.
- xviii)** Arrangements for insuring the project, during the construction stage.
- xix)** Details of credit facilities, if any availed, from SBI/other Banks i.e. credit limits, date of sanction, present outstanding, credit rating, IRAC rating.
- xx)** Copy of approval of present/previous projects by other Banks/Housing Finance Companies.
- xxi)** Copy of approval of Builder's current/previous projects for ADF by other Banks/Housing Finance Companies.

**APPRAISAL REPORT FOR APPROVAL OF RESIDENTIAL PROJECT FOR 'SBI  
UPFRONT' HOME LOANS {ADVANCE DISBURSEMENT FACILITY (ADF)  
TO BUILDERS}**

(Rs. in lacs)

**I. PROJECT PROFILE:**

SI. NO.	Parameter	Particulars			
1.	Name  Address of the project				
2	Month and year of commencement of the project				
3	Present stage of construction  Amount invested so far  (minimum 15% of the construction work should be completed)	Rs.	(Certificate in respect of the amount invested, duly certified by Chartered Accountant, and certificate on present stage of construction from Architect is enclosed alongwith photograph evidencing present stage of construction)		
4	Probable month completion (should be within validity of the approval from Local Body/Urban Development Authority etc. and should not exceed 24 months from the date of commencement of the project)				
5	Comments on ability of the Builder to complete the project within the project completion schedule in (4) above				
6	Details of flats.	Type	No. of flats	Price per flat	Total
		A			
		B			
7	Project value	Rs.			
	Project cost				
8	<b>Status of approvals</b>				
	Building Plans				

	Approval for building construction i. Name of the Local Body/Urban Development Authority ii. Number and date of approval iii. Validity of the approval	
	Approval from Water Authority	
	Approval from State Electricity Board/Supplier of power	
	Approval for fire fighting arrangements.	
	Approval for sewerage and solid waste management.	
9	Comments on availability of clear, absolute and marketable title to the property.  Name and address of Advocate who furnished Search Report (copy of report enclosed)	
	Whether the property is under Builder 's ownership/under joint development/ owned by third party.	
	Lawyer's comments on the validity of the joint development agreement, No objection Certificate from the owner and verification of documentary evidence of sale consideration paid to owners, if any	
	Lawyer's comments on clear and unambiguous contract between the owner and the builder which would facilitate timely conveyance of title to prospective purchasers of flats.	
	Pending litigation in respect of the property in courts/with revenue authorities, if any and comments thereon	
10	Whether the project is located at natural calamity prone/social disturbance prone areas	
11	Comments on adoption of modern technology for construction of the project.	Valuer's report enclosed (with his comments on adequacy of building technology and design to resist damage on account of earthquake, flood, cyclone, fire, lightning etc.)

12	<u>Architect/Project Consultant</u>  Name  Qualification  Address  Telephone Number  Mobile Number  Number of residential projects executed by them during the last 3 years and number of flats therein.		
	Name of the last 3 residential projects executed by them and total number of flats.	Name of the project	Number of flats in the projects
13	Name of nearest Railway Station and distance from the project		
	Name of nearest Bus Station and distance from the project		
14	Availability of infrastructure within a radial distance of 3 kms.	No. of Hospitals;  No. of colleges:  No. of Schools:  No. of markets :  No. of parks/play grounds	
15	Basic amenities available	<ul style="list-style-type: none"> <li>• Parking space</li> <li>• Play area/garden/lawns</li> <li>• Round the clock security</li> <li>• Intercom facility</li> <li>• Fire fighting arrangements</li> </ul> Lifts/elevators	



	Modern amenities (applicable to premium apartments costing Rs. 50 lacs and above)	<ul style="list-style-type: none"> <li>• swimming pool</li> <li>• Multi gym</li> <li>• Landscaped garden</li> <li>• Smart card based access</li> <li>• Swipe card security</li> <li>• Centralized cooking gas</li> <li>• Solar water heating system</li> <li>• Squash court/billiards room</li> <li>• Jogging tracks</li> <li>• Club house</li> <li>• Water treatment plants</li> <li>• Generator back up</li> </ul>
16	Proposed management structure after completion of project i.e. society or apartment owners association	
17	Arrangements for insuring the project during the construction stage (copy of the current insurance policy enclosed)	
18	Minimum assured business (40% of project value in respect of projects funded by us and 25% in respect of other projects)	
19	Names of Banks/ HFCs who approved the project	
20	Name of Banks/HFCs who approved ADF to the project	
21	Comments on the project cash flow statement particularly ability of the builder to complete the project in time (project cash flow statement enclosed)	

## II. BUILDER'S PROFILE

1.	Name and address of the Builder			
	Constitution			
	Telephone number(s) with STD code			
	Fax number(s) with STD code			
	E mail address			
	Web site address			
	Name of the contact person(s) , designation, Mobile Number(s)			
2	Details of affiliation to State Chamber of Housing Industry i.e. Ref. no. and date			
3	<u>Financial and performance parameters</u>  Authorised capital  Paid up capital  Share holding of partners/directors (in %) Tangible Networth (TNW)  Net Sales  Net Profit/Net Loss  Current Ratio  TOL/TNW Contingent liabilities (including their nature and provision made for meeting the obligations)	Year I	Year II	Year III
	Comments on adverse features on performance/financial indicators, if any	(enclosed)		
	Income Tax Returns (genuineness to be verified with Income Tax Department, in case of doubt)	Gross Annual Income	Net Annual Income	Income tax paid
	Financial Year -			
	Financial Year -			
	Financial Year -			
4	Name(s) of partners/directors	1. 2. 3.		
	Brief profile of partners/directors including their experience in construction of residential/commercial complexes	(enclosed)		

	Name of the residential projects completed so far including the number of flats in each project (a) By the firm (b) By other firms with at least 75% common promoters	(enclosed)		
5	Liquidated damages to be paid, if any, and provision made to meet the obligation			
6	Risk sharing mechanism, if any, in the event of delay or deviation, defective construction techniques etc.			
	Feedback on Timely completion of construction and delivery of flats.			
	Quality of construction			
	Timely conveyance of clear, absolute and marketable title to the purchasers			
8	Profile of completed residential projects i.e. name of the project, location, address, monthly and year of commencement of construction and completion of construction, type of flats, number of flats, price levels project value etc.	(enclosed)		
9	Names of Banks/HFCs which approved their last three projects	Name of the project	Name of the Bank	
10	Name of Banks/HFCs which approved ADF for their last three projects			
11	Details of tie-ups, if any, with the builder (including details of concessional interest rates quoted)	Name of the project	Anticipated business potential	Actual business booked
12	Details of Advance Disbursement Facility extended in respect of their previous projects, if any (including details of concessional interest rates quoted)	Name of the project	Anticipated business potential	Actual business booked
	Comments on timely completion of the project			

	Comments on timely conveyance of title to the buyers	
--	--	--

a. **MISCELLANEOUS INFORMATION**

1	Name of the designated branch	
2	Date of receipt of the proposal	
3	Date of pre-sanction inspection (pre-sanction inspection sheet with comments enclosed)	
4	Date of Lawyer's report	
5	Date of valuation report	
6	Date of submission of proposal	

(Copies of lawyer's report, valuation report, approved building plan including floor plan, brochure on the project, undertaking from the builder and other enclosures are attached)

(Copies of the audited financials of the last 3 years with annexures, Income Tax Returns, Income Tax Assessment Orders etc retained at the branch)

**Recommendations:**

DGM/AGM(PBU)

Place:

Date:

**SBI-UPFRONT' HOME LOANS- PROGRESS REPORT**  
**FOR THE MONTH OF**

Name of the Builder identified for extension of 'SBI-Upfront' Home Loans	Rating, if any, awarded by CRISIL/ICRA	Approved Projects	Period by which the project is expected to be completed	Project value (Rs.in cr.)	Anticipated business (Rs.in Cr.)	Actual business booked so far (Rs.in cr.)	Service charged proposed for the business sourced by them (%)	Sharing of publicity expenditure (%)

**“SBI HOME PLUS”**  
**(HOME LOANS / PERSONAL LOANS)**

There is a potential for granting Personal Loans to Bank’s Home Loan customers against the security of the house property. In order to tap this potential, it has been decided to introduce a new loan product named “SBI Home Plus” for our existing Home Loan customers, on attractive and easy terms, especially in view of the comfort of availability of security of the house property. This product is targeted towards the personal loan needs of customers and will have the basic characteristics of a Personal Loan, additionally secured by the extension of mortgage of the house property. Features of this product are as under :

S.N o.	Parameter	Details
1.	Eligibility	All Home Loan customers with a satisfactory repayment record of <b>at least one year</b> and who maintain a <b>SB/CA account with us</b> .
2.	Eligible loan amount	Present market value of the house property <u>less</u> (i) margin of 25% on the property value and (ii) the present outstandings in the Home Loan account. The present market value of the house property would be decided by a fresh valuation from an approved panel engineer/valuer.  However, for loans, upto Rs.2,00,000/- valuation as above is not required and an assessment could be done by the sanctioning authority. Minimum loan amount: Rs.25,000/-, maximum Rs.10,00,000.
3.	Purpose	Any purpose, viz. extension/repair of house, purchase of car/ consumer durables, education / medical expenses of family members, personal expenses, etc. There will be no need to obtain documentary evidence for the end-use of funds. A certificate from the customer in the application to the effect that the <b>loan will not be used for speculative purposes</b> would be obtained.
4.	Nature of facility	Term Loan / Current Account Overdraft. In the case of Current Account Overdraft, ATM-cum-Debit Card would be issued.

5.	Interest Rate	<p><b>Category - Public</b> - "SBI Home Plus loans will continue to be sanctioned on floating interest rate only. SBI Home Plus will carry the same interest rate (Card rate without any concessions/premium) which is applicable to the sanction of a new Home Loan with limit and tenor matching the underlying Home Loan of the borrower, on the date of sanction of SBI Home Plus loan."</p> <p><b>Category - Staff and SBI Pensioners</b> - "SBI Home Plus loans will continue to be sanctioned on floating interest rate only. SBI Home Plus will carry the same interest rate (Card rate without any concessions/premium) which is applicable to the sanction of a new Home Loan with limit and tenor matching the underlying Home Loan to Staff for <del>Home Loan on commercial terms on the date of sanction</del>"</p>
6.	Repayment	<p>u) <u>Cases where Equitable Mortgage has been extended to cover SBI Home Plus loan.</u></p> <p>i) The term loan will be repayable in Equated Monthly Installments beginning one month after the disbursal of the loan. Total loan tenure including moratorium, if any should not exceed 120 months. The overdraft facility will operate on a reducing drawing power arrangement on the EMI basis. Total loan tenure including moratorium, if any should not exceed 120 months.</p> <p>v) <u>Cases where Equitable Mortgage is not proposed to be extended to cover SBI Home Plus loan, revised instructions as under will apply -</u></p> <ul style="list-style-type: none"> <li>▪ The maximum repayment period for loans under such cases should not exceed beyond the remaining tenure of the existing Home Loan. The term loan will be repayable in Equated Monthly Installments beginning one month after the disbursal of the loan. In any case loan tenure should not exceed 120 months including moratorium , if any. (ii) The overdraft facility will operate on a reducing drawing power arrangement on the EMI basis subject to a maximum of 120 months including moratorium period <u>or remaining Home Loan tenure whichever is lower.</u></li> </ul> <p>Within the overall repayment period , the sanctioning authority may permit, at the request of the borrower, a moratorium of upto 12 months under both the cases mentioned above. Interest will be required to be serviced by the borrower during the moratorium period.</p>
7.	Processing fee	0.50% of the loan amount with a minimum of Rs.500/-.
8.	Other Charges	All other charges for valuation, mortgage creation, stamp duty etc. will have to be borne by the customer.

9.	EMI/NMI ratio	Not to exceed 60%. In the case of borrowers with NMI of Rs.10 lacs and above, the ratio may be relaxed upto 70%. The EMI will include EMI of both proposed and present borrowings, including all other loans by the same borrower(s).
10.	No. of loans	Second loan under the scheme may be considered after a gap of 2 years from the first loan. At any point of time not more than 2 loans will be allowed to exist under the scheme, within the overall ceiling of Rs.10,00,000/-, other than the Home Loan.
11.	Pre-closure	If the loan is <b>pre-closed</b> from <u>own resources</u> for which proof is submitted by the borrower, <u>pre-payment penalty shall not be levied irrespective of the period for which the account has run</u> . In other cases, where such proof is not produced by the borrowers, 2% penalty on the amount prepaid in excess of normal EMI dues should be levied in case of <b>pre-closure</b> of Home Loans <u>within 3 years</u> from the date of commencement of repayment
12.	Security	Extension of mortgage of the house property will not be mandatory
13.	Application, appraisal, documentation	Formats of application, appraisal and arrangement letter are enclosed. Loan agreements applicable for Personal Loan against mortgage of immovable properties may be used. However, as the applicant will be an existing borrower, Credit Scoring Model, which is being used for Personal Loans, will be used.
14.	Discretionary powers for sanction of loan	As per Home Loan Scheme
15.	Classification	These loans will be classified under "Personal Loans" in the Performance Reports.
16.	Branches where loans would be made available	All branches / RACPCs, where the Home Loan documents are held would sanction the loan.



## “SBI HOME PLUS”

(Specimen of letter to be addressed to all eligible Home Loan customers)

To

.....  
.....  
.....

No.HL/

Date:

Dear Sir / Madam,

**“SBI Home Plus”**  
**Introduction Of A New Product**  
**To Our Home Loan Customers**

As a value addition to our esteemed Home Loan customers, we are offering a new product, “**SBI Home Plus**”. (This product is tailor-made exclusively for our Home Loan customers). This is a **Personal Loan** on easy and attractive terms, a few of which are as under:

Rate of interest	Starting from 0.25% above the prevailing Home Loan interest rate depending on the nature of facility availed.
Loan amount	Minimum Rs.25,000/- and maximum Rs.10,00,000/-.
Repayment period	10 years in EMIs. Moratorium upto one year can be allowed.
Nature of facility	Term Loan with fixed EMIs; or Overdraft with flexibility of operation within the drawing power.

To know more about and availing the new loan product, we would welcome you to visit us for a discussion.

Thanking you,

Yours faithfully,

Branch Manager.



To,  
State Bank of India

\_\_\_\_\_  
(Branch Name)

Dear Sir/Madam,

I/We have availed Home Loan from SBI as per the particulars furnished below. I/We need funds for the purpose of \_\_\_\_\_. I/We, therefore, request you to sanction personal loan of Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_) under SBI Home Plus scheme. I/We hereby undertake that the funds raised through this **loan will not be used by me/us for speculative purposes.**

i	SBI Home Loan account number				
ii	Savings Bank / Current Account Number				
iii	Salary account is maintained with SBI		Yes / No		
iv	<b>Loan required by me/us under SBI Home Plus</b>  <b>(Minimum Rs.25000/- , Maximum Rs. 10 Lacs)</b>		Rs.		
			(Rupees _____ only)		
v	Type of facility for SBI Home Plus		Term Loan/Overdraft		
vi	Indicate whether willing to extend existing mortgage created for securing Home Loan to cover loan under this application.				
vii	Loan repayment period in months (Maximum 120 months),				
viii	Moratorium required (i.e. period during which I/We shall service only the interest applied to the account ) <b>(Max.12 months)</b>				
ix	Details of income				
	Applicant No.	Net Annual Income during the previous FY (Rs.)	Present gross monthly income (Rs.)	Present statutory deductions per month (Rs.)	Present net monthly income (NMI) (Rs.)
	1				
	2				
	3				
	4				
	Total				
x.	EMI obligations towards existing loans, if any.				

### Declaration

1. I / We declare that all the particulars and information given in the application form are true, correct and complete and that they shall form the basis of any loan, State Bank of India, decides to grant me/us.
2. I/We advise **change in my /our occupation/employment/residential address as enclosed**. I/We undertake to inform SBI regarding any further changes, and to provide any information that the Bank may require.
3. I/We confirm that **I/ We do not have any other repayment liability towards any bank/lender** other than that mentioned above. I / We confirm that if I /we avail of any credit facilities with any other bank in future, **I/ we will furnish the details to State Bank of India** immediately.
4. **I/ We authorise the bank to credit all sums** received by the bank or standing to the credit in my /our name jointly or severally to the loan account, if necessary. I/We confirm that the funds will be used for stated purpose and will not be used for speculative purpose.
- 5.. I/We also understand that the sanction of the loan is **subject to the execution of documents** as per the Bank's requirements. I/We shall repay the loan together with interest as per the repayment programme advised by the Bank
6. I /We agree that the **Bank has a right to make such enquiries about me/us** as it thinks fit though its employees/ representatives authorized to make such enquiries..
7. I /We further confirm and give my/ our express consent to State Bank of India for **disclosing information about this loan** to the Credit Information Bureau of India (CIBIL ) and other institutions approved by the Government of India / Reserve Bank of India.

Signatures of the applicants

1. \_\_\_\_\_  
Name-(  
)

2. \_\_\_\_\_  
) Name - (

3. \_\_\_\_\_  
Name- (

4. \_\_\_\_\_  
) Name- ( )

Place -

Date -

### SBI-Home Plus

(Format for advising change in the status by the Customer)

To,  
State Bank of India  
\_\_\_\_\_ branch.

Dear Sir/Madam,

**Home Loan Account Number :** \_\_\_\_\_.

Please arrange to update your records pertaining to my/our account(s) mentioned above with the latest status furnished as under -

1	Residential Address	
2	Telephone number	
3	Occupation	
4	Employment	
5	Income	
6	Assets	
7	Liabilities	
8	Any other, (please specify)	

Yours faithfully,  
Account holder(s)  
Name(s) -  
Place -  
Date -

---

For Office Use

- (i) Signature(s) verified with that/those on record.
2. Change(s) incorporated in Customer Information File.

(Authorized Official)

**SBI Home Plus - Specimen Appraisal Form**

Applicant number	Name of the applicant(s)
1	
2	
3	
4	

(Note- All the co-borrowers of the existing Home Loan must join as borrowers)

ii) Date of application (dd/mm/yyyy) -

iii) **Amount of loan, requested by the borrowers** - Rs. \_\_\_\_\_

iv) Details of existing Home Loan account -

a	Account number	
b	Date of sanction	
c	Type of facility	Term Loan / Overdraft
d	Interest rate type	Floating / Fixed
e	Original loan tenure, (in number of months)	
f	Remaining loan tenure , in number of months	
g	Sanctioned amount	
h	Present outstanding loan balance in case of SBI Home Loan availed as Term Loan (or Drawing Power in case of SBI Maxgain)	
i	Possession certificate obtained	Yes/No (If No, Reject)

v) Repayment record of existing Home Loan

a	Date of commencement of EMI	
b	Amount of EMI, Rs.	
c	Number of EMIs that have fallen due till date	(Should be minimum 12 )
d	Number of EMIs paid till date	
e	Number of due EMIs outstanding as on date (c)-(d)	If more than 0, reject

vi) Repayment record of other loans (if applicable)

	Nature of loan <b>I</b>	Limit (Rs.) <b>II</b>	DP (Rs.) <b>III</b>	Outstanding <b>IV</b>	Irregularity <b>V</b>
a					
b					

(If any loan is irregular because of default in stipulated monthly repayment , loan may be rejected.)

## vii) Proposed outstanding under SBI Home Plus

a	Outstanding amount in existing SBI Home Plus account, if any. (Maximum two SBI Home Plus allowed to run simultaneously)	Rs.
b	Date of sanction of last loan under SBI Home Plus	
c	Gap since sanction of last loan under SBI Home Plus	(If less than 2 years, reject.)
d	Amount of this proposal	Rs.
e	<b>Proposed</b> outstanding under SBI Home Plus (a+d)	Rs. (Should not exceed Rs.10 Lac)

## viii) Loan eligibility on the basis of property value -

a	Valuation done by	If loan amount is upto Rs.2 Lac, Internal assessment If loan amount is more than Rs.2 Lac, Name of the external valuer engaged for valuation of property : _____
b	Date of valuation report /Internal assessment	
c	Year of construction of building	
d	Present age of the building, (in number of years)	
e	Remaining expected life of the building under normal circumstances	
f	Present valuation, (Rs.)	
g	Area of the house , (sq.ft.)	
h	Rate per square foot as per the valuation report	
i	Fair value of the property considered for this proposal, by the recommending official. (Rs.)	
j	75% of the fair property value in (i) above	
k	Total of DP/outstanding of loans availed against the same property .( DP or outstanding whichever is more should be considered )	
l	<b>Eligible loan amount (j-k) based on property value</b>	
m	Whether all the taxes and dues are paid	Yes/No. If all the taxes and society dues are not paid proposal may not be entertained.

ix)

a	Security type **	Extension of Existing EM or Bank's lien on the Title Deeds and Right of Set-off ** Strike off whichever is not applicable
b	Loan tenor If EM is extended, max. 10 years, otherwise loan tenure should not exceed remaining tenor of Home Loan or 10 years whichever is lower.	_____ months
c	Moratorium (if any)	_____ months
d	No. of EMIs payable (b-c)	

x) Loan eligibility based on EMI/NMI ratio

a	Present net monthly income (excluding EMI repayment obligations)	
b	Total amount of EMIs being paid presently,	
c	Total of present amount of EMIs that are proposed to be closed by the borrower out of this loan	
d	Net of existing amount of EMIs considered for loan calculation (b-c)	
e	Is salary account maintained with us	Yes/No
f	Whether this loan is required by the borrower as Term Loan or as Overdraft	Term Loan / Overdraft
g	Applicable Rate of Interest	_____ above Base Rate i.e _____ % p.a.
h	EMI per Rs.One Lac as per the applicable interest rate in 'g' above for the No. of EMIs payable for this loan.	
i	Maximum permissible EMI that can be paid out of present net monthly income, as in 'a'.	If Net Annual Income is less than Rs.10 Lac, then 60% of Net Monthly Income. If Net Annual Income is Rs.10 Lacs or above then 70% of Net Monthly Income.
j	Available portion of income for meeting EMI of this loan, (i-d)	
k	<b>Loan eligibility as per the stipulated EMI/NMI ratio. Rs. (j x 100000/h)</b>	

xi) Recommended loan amount -  
(Lowest among iii, viii-l, and xi-k above)  
(Min.Rs.25000, Max.Rs.10 Lac)

xii) Documents evidencing change in the status of the customer (e.g. Address, Telephone Number, Income, Repayment Obligation) have been verified.

xiii) Pre-sanction inspection report - Adverse features found / not found.

(If found write comments on risks involved and risk mitigation measures. )

xiv) Documentation - (List out the documents to be obtained)

- A) Arrangement letter
- B) Memorandum of Loan Agreement For Personal Loan under SBI Home Plus scheme
- C) \_\_\_\_\_
- D) \_\_\_\_\_

xv) Processing fee -

xvi) Total indebtedness including this proposal -

Recommending Official

Name -

Designation

Date-

*Annexure-C*



**Arrangement Letter - SBI Home Plus**

From ,  
STATE BANK OF INDIA

To,

.....BRANCH  
.....

Shri/Smt./Kum.  
1).....  
2).....  
3).....  
4).....

Ref. No.

Date :

Dear Sir(s)/Madam,

**Personal Segment Advances :**  
**SBI Home Plus Loan : Rs**

With reference to your application dt..... for PERSONAL LOAN under SBI HOME PLUS scheme, we hereby sanction you a SBI Home Plus limit of Rs.....(Rupees.....only) on the following terms and conditions.

2. Purpose

The loan is sanctioned to you for the purpose stated in your application. Please note that the loan amount should not be used for speculative purposes.

3. Facility type : Term Loan / Overdraft

(Please strike off whichever is not applicable)

4. Rate of Interest :

*Floating Rate of Interest :-*

Interest on the loan will be charged at .....% p.a. above Base Rate which is currently .....% p.a. (current effective rate being .....% p.a.) with monthly rests. The rate of interest is subject to revision from time to time due to (i) changes in Base Rate or (ii) revision even without change in Base Rate and you shall be deemed to have notice of changes in the rate of interest whenever the changes in Base Rate or increase in interest rates where there is no change in Base Rate are either displayed on the Notice Board of the Branch or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished to you and you are liable to pay such revised rate of interest. The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate. In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

Enhanced rate of interest @ 2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty, the rate of which shall be at the discretion of the Bank , for

every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate – Rs.250/- for every bounced cheque).

5. Processing fee: \_\_\_\_\_
6. Repayment :
- (b) Total loan tenure will be \_\_\_\_\_ months i.e.(A), from the date of document execution by you.

(ii) As requested by you in your application, moratorium period of \_\_\_\_ months from the date of execution of loan documents i.e.(B) has been sanctioned. You will be required to service interest applied every month within 7 days of application of interest during the moratorium period.

(iii) The loan is to be repaid in \_\_\_\_\_, i.e. (A) -(B) Equated Monthly Instalment of Rs\_\_\_\_\_ commencing from one month after completion of moratorium on or before 7<sup>th</sup> day of every month.

In case of overdraft type of facility, drawing power in the overdraft account will be reduced in accordance with the stipulated repayment schedule, and you will be required to keep your drawings within the prevailing drawing power.

In case of Term Loan your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any. In case of overdraft facility, your liability to the Bank will continue till the loan account is closed.

7. Pre-closure charges:
- If the loan is **pre-closed** from own resources for which proof is submitted by the borrower, pre-payment penalty shall not be levied irrespective of the period for which the account has run. In other cases, where such proof is not produced by the borrowers, 2% penalty on the amount prepaid in excess of normal EMI dues should be levied in case of **pre-closure** of Home Loans within 3 years from the date of commencement of repayment.

8. Security\* :
- The loan will be secured by :
- g) (a) **Extension of mortgage** of the land and building/flat situated at \_\_\_\_\_ valued at Rs.\_\_\_\_\_ belonging to Shri/Smt./Kum.\_\_\_\_\_}S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.

- a) Extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs.\_\_\_\_\_ belonging to Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.

Or

- h) **Cases where existing mortgage is not extended** - The title deeds deposited with the Bank as security for the Home Loan will continue to be deposited with the Bank till liquidation of loan under this letter. Your liability to the Bank under this loan facility should be fully extinguished prior to closure of Home Loan availed by you from the Bank .

(\*Strike-off the clause which is not applicable)

9. In the event of the Bank proceeding against the house which was offered as security for Home Loan under SARFAESI act, the Bank shall be at liberty to exercise its right of set off in respect of the surplus sale proceeds, if any, for the amount due under the loan facility offered under this letter.
10. Insurance :  
The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower.
11. Inspection :  
The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.
12. Legal expenses etc. :  
All legal and other taxes, levies and expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premium, stamp duty, registration charges and other incidental expenses incurred in connection with the loan and if levied in future by State/Central Government/other Statutory Authority shall be borne by you.
13. Disbursement :  
The loan will be disbursed only on the following conditions :
- a) No further charge has been created on property mortgaged to the Bank and a valid extension of mortgage (equitable or registered if equitable mortgage is not possible) is created in favour of the Bank for this loan.
  - All the security documents prescribed have been executed by you/co-applicant (s)/guarantor(s).
  - The loan will be disbursed as under \*  
(\*Strike off whichever is not applicable)  
Term Loan : Term loan account in your name will be debited and the amount so debited will be credited to Savings Bank/Current account as per your instructions.  
Overdraft : Drawings through cheques / ATM-cum-Debit Card within the drawing power.
14. Please arrange to return a copy of this letter duly signed by all the applicants and guarantor(s) in token of acceptance of all the terms and conditions advised above.

Yours faithfully,

**Asst. General Manager/Chief Manager/Branch Manager**

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter.

**Borrower(s)**

Date

Abovementioned terms and conditions of the loan are accepted by me/us as guarantor(s).

**Guarantor(s)**

Date

(SPECIMEN OF MEMORANDUM OF LOAN AGREEMENT FOR  
PERSONAL LOAN UNDER SBI HOME PLUS SCHEME )**(To be stamped as an Agreement + Power of Attorney + Indemnity as per the Stamp Act of the respective states and not be attested)**To,  
STATE BANK OF INDIA  
..... Branch

PLACE :

DATE :

**Loan Agreement**

Whereas, State Bank of India, a body corporate constituted under State Bank of India Act 1955, having its Corporate Centre at Madame Cama Road, Nariman Point, Mumbai-400 021 having one of its Branch Offices at.....(hereinafter called the "**the Bank**" which expression shall include its successors and assigns) having, at the request, of the person(s) listed below under the head **Name(s) of the borrower(s)** (hereinafter, called "the Borrower(s)" which expression shall include his/her respective heirs, executors, administrators and assigns) granted the Borrower(s) a Personal Loan limit mentioned against the head **Loan amount** under the scheme SBI Home Plus for the **purpose** stated below ((hereinafter called "**the loan**"), it is agreed on the basis of details mentioned below

20. Name(s) of the borrower(s)

Applicant No.	Name in full	Father's/Husband's name in full	Age	Residential address
i				
ii				

Borrower(s) address for **receiving notices** under this agreement -

(a) Postal Address - \_\_\_\_\_ (b) Fax No with area code - \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (c) E-mail address -

\_\_\_\_\_

\_\_\_\_\_

PIN Code \_ \_ \_ \_ \_

(ii) Purpose of Loan - \_\_\_\_\_

(iii) Loan amount - Rs. \_\_\_\_\_, (Rupees \_\_\_\_\_)

(iv) Type of facility - Overdraft / Term Loan (Strike off whichever is not applicable)

(v) Loan Tenor (A)- \_\_\_\_\_ months. (vi) Moratorium (B) \_\_\_\_\_ months.

(vii) Number of Equated Monthly Instalments (EMIs) (A-B) - \_\_\_\_\_

(viii) Amount of each EMI – Rs. \_\_\_\_\_

(ix) Interest rate\* – Floating interest rate , @ .....% p.a. above Base Rate which is currently .....% p.a. (current effective rate being .....% p.a.) with monthly rests.

(\* Subject to revision as mentioned elsewhere in this document).

(x) Date of deposit of Title Deeds by the borrower(s) with the Bank for securing Home Loan availed - \_\_\_\_\_

(xi) Description of property mortgaged by the borrower(s) to the Bank by depositing Title Deeds mentioned above -

Flat / House No.	
Name of the building	
Plot No.	
Street Name	
Name of the area	
City	
PIN Code	
Electricity consumer No. /Connection details	
Carpet area, Sq. Ft	
Built up area, Sq. Ft	
Super Built-up area, Sq. Ft	
<b>Bounded by</b>	
On the East	
On the West	
On the North	
On the South	

2. In consideration of the grant of the said Loan and continuance of the said facility for such time as the Bank may deem fit, I/we, "the Borrower(s)" do hereby irrevocably and unconditionally agree and undertake , so as to bind myself/ourselves, my/our heirs, executors, administrators, estates, assigns and effects as follows, viz.

- (i) The Borrower(s) undertake to keep deposited, the title deeds pertaining to the property described above deposited by him/her/them with the Bank with the purpose and intention of creation of Mortgage in favour of the Bank for securing Home Loan availed by him/her/them from the Bank for funding acquisition of the said property by him/her/them during the currency of loan availed by him/her/them under SBI Home Plus scheme under this agreement,
- (ii) The Borrower(s) undertake that he/she/they will not sell assign, mortgage, charge or in any way encumber or alienate the said flat/house/land **property described above** or any part thereof/consumer durables/furnishings so long as he/she/they are indebted to the Bank in the said loan account without prior permission of the Bank in writing, duly signed by the Competent Officer. Competent Officer for this purpose will be

the Head of the branch/office of the Bank where my/our Home Loan/ Home Plus is maintained.

- (iii) The Borrower(s) undertake to obtain prior No Objection Certificate from the Bank before letting out / giving on leave and licence the said property described above.
- (iv) The disbursement of the amount of the loan shall be at the Bank's absolute discretion. The loan will be disbursed as under -

**In case where the facility type is Term Loan :** Term loan account in the Borrower(s)' name will be debited and the amount so debited will be credited to Savings Bank/Current account of as per the Borrower(s)' instructions.

**In case where the facility type is Overdraft :** Drawing Limit will be made available by the Bank in the designated current account of the Borrower(s) maintained with the Bank. The Borrower(s) will be allowed to draw, through cheques/ATM-cum-Debit Card/Other debit instruments authorized by the Reserve Bank of India, from the account upto the Drawing Limit or the Drawing Power whichever is lower. Drawing Power will be calculated after deducting stipulated repayment of the part of the principle amount at stipulated intervals.

- (v) Total **loan tenor (A)** will be as mentioned above, from the date of document execution by the Borrower(s) including a **moratorium period (B)** as mentioned above. The Loan is to be repaid in Equated Monthly Installment **(EMIs)** as mentioned above commencing from one month after completion of moratorium, on or before 7<sup>th</sup> day of every month. The equated monthly installments also include interest component.

In case of overdraft type of facility, drawing power in the overdraft account will be reduced in accordance with the stipulated repayment schedule, and the Borrowers will keep the drawings within the prevailing drawing power.

The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

In case of Term Loan, the Borrower(s)' liability to the Bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any. In case of overdraft facility, the Borrower's liability to the Bank will continue till the loan account is closed.

- (vi) Term Loans under the scheme may be prepaid. A prepayment penalty of 1% will be levied by the Bank on the amount prepaid. However, in the case of both the Home Loan and the Term Loan being prepaid simultaneously from own resources other than borrowings, no prepayment penalty will be levied. Proof relating to own resources will be required to be shown by the Borrower(s) to the Bank.
- (vii) Interest will be charged by the Bank on the outstanding debit balance in the Borrower(s)' loan account at the rate of interest mentioned above.

The rate of interest is subject to revision from time to time due to (i) changes in Base Rate or (ii) revision even without change in Base Rate and the Borrower shall be deemed to have notice of changes in the rate of interest whenever the changes in Base Rate or increase in interest rates where there is no change in Base Rate are either displayed on the Notice Board of the Branch of the Bank or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished by the Bank to the Borrower and the Borrower(s) is/ are liable to pay such revised rate of interest.

In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit. Enhanced rate of interest @ 2% p.a. on the entire outstanding for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty, the rate of which shall be at the discretion of the Bank, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

- h) The Borrower(s) agree to service pre-EMI interest applied every month within 7 days of application of interest during the moratorium period.
  - i) The Borrower(s) declare and confirm that the amount of the loan or the balance then outstanding shall become payable at once in case of death of anyone of the Borrowers. In case of death, the Bank may, at its discretion, continue the loan provided sufficient collateral security is furnished by the legal heirs of the deceased borrower/surviving borrower(s) or some satisfactory arrangement for repayment acceptable to the Bank has been made by the Borrower(s)' legal heirs/surviving borrower(s).
  - j) The Borrower(s) shall arrange for the payment of the equated monthly instalments from my/our monthly salary or in whatever manner deemed fit \* or by debit on the due dates from the Current /Savings Bank account with Branch/or any other Branch where he/she/they may hold the account singly or jointly and to appropriate the same in repayment of the said loan and interest. The Borrower(s) shall execute in favour of the Bank a letter of authority, addressed to his/her/their employers to recover and pay to the Bank the equated monthly instalment from his/her/their salary every month\*.
- \* Delete if not appropriate.
- k) On demand the Borrower(s) agree to deliver to the Bank post-dated cheques / debit authorizations/ any other money transfer instrument authorized by the Reserve Bank of India and acceptable to the Bank hereinafter referred to as Cheques) for payment of monthly instalments and warrant that the cheques will be honoured on first presentation. Any non-presentation of a cheque due to any reason will not affect the Borrower(s)' liability to pay the monthly instalments or any other sum. The Borrower(s) agree to forthwith replace the cheques/issue



fresh cheques, if required by the Bank. The Borrower(s) shall not be entitled to call upon the Bank to refrain from presenting any cheque for payment and if he/she/they do so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under the Negotiable Instruments Act, shall apply.

- l) The Borrower(s) declare and confirm that on his/her/their retirement, the outstanding amount of the loan sanctioned to him/her/them will become repayable at once. The Bank may, at its discretion, continue the loan provided satisfactory arrangement for repayment, acceptable to the Bank has been made by the Borrower(s).
- m) In the event of cessation of Borrower(s)' business/service with his/her/their employers by way of resignation or otherwise (except as a result of death or retirement), the Borrower(s) undertake to repay to the Bank forthwith on demand the balance principal amount of the loan, or the balances then outstanding whichever is higher.
- n) In the event of the Borrower(s)' ceasing to be in business/service of his/her/their employer whether by retirement, resignation, death or by operation of law or for any other reason or cause whatsoever and howsoever the Bank shall be entitled at its discretion, to write to the Borrower(s)' employers to appropriate and set off (i) any amount which may then be payable by the employers to the Borrower(s) whether by way of salary, allowances, bonus, other remuneration or any payment (whether ex-gratia or otherwise) whatsoever and (ii) any amount that may be standing to the credit of any account which the Borrower(s) may have with the employers or with the Bank, either singly or jointly, towards repayment of the balance that may be then remaining due and payable by the Borrower(s) in his/her/their said loan account together with interest thereon at the applicable rates upto the date of such repayment. Any such appropriation made by the Bank or Borrower(s)' employers shall be conclusive and binding on the Borrower(s) and his/her/their estate both in and out of court. In any event borrower(s)' liability to make repayment of the entire dues immediately shall remain valid till the entire amount with applicable interest as up to the date of payment has been realised by the Bank whether by way of recovery from the borrower(s)' employer or otherwise.
- o) The Borrower(s) undertake to maintain the flat/house in good tenantable repair and condition at his/her/their cost at all times so long as he/she/they is/are indebted to the Bank and that the borrower(s) shall ensure that the Bank's security is not in any way jeopardised. The borrower(s) shall duly and punctually pay the charges, if any, payable to the Co-operative Housing Society/condominium association and also all the municipal/revenue taxes, charges, rates, cesses etc. from time to time payable by him/her/them in respect of the flat/house/land property described above. The Bank shall be at liberty to inspect the flat/house/land at any reasonable time and the Borrower(s) shall furnish all such information/particulars whatsoever as and when called upon to do so by the Bank. The borrower(s) shall provide the required no-objection consent for creating a charge on the property secured for the Loan, from the Society/Condominium or any other permissions by any authority necessary for creating the security in favour of the Bank.

- p) The borrower(s) shall at his/her/their cost insure and keep insured in the joint names of himself/herself/themselves and the Bank the property described above at all times against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God for such other risks for its full market value as desired by the Bank from time to time and shall endeavour to get the building in which his/her/their flat is situated insured against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake, risks and other acts of God at all times by the Co-operative housing society/apartment owner/association or any other body under whose control the building is vested. The borrower(s) shall deliver copies of the insurance policies, cover notes, premium receipts, etc., to the Bank. If the borrower(s) fail to effect such insurance the Bank will be at liberty but not obliged to insure the said house/flat against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God and debit the premium and other charges to any of my/our accounts with the Bank. The borrower(s) expressly agree and declare that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the insurance company and the insured arising from or under or in connection with any such policy or policies of insurance and such adjustment, settlement, compromise or any award made on such reference to arbitration shall be valid and binding on him/her/them. The borrower(s) further agree that the Bank shall have a right to receive all moneys payable under any such policy or under any claim made thereunder and to give a valid receipt therefor and that the amount so received shall be credited to his/her/their loan account and the borrower(s) will not be entitled to raise any question that a larger sum might or ought to have been received or to dispute his/her/their liability for the balance remaining due on such account after such credit.
- q) In the event of the Bank proceeding against the house property described above which was offered as security for Home Loan under SARFAESI act, the Bank shall be at liberty to exercise its right of set off in respect of the surplus sale proceeds, if any, for the amount due under SBI Home Plus loan.
- r) The borrower(s) agree and declare that notwithstanding anything contained herein or in any other security documents the entire amount of the loan or the balances then due shall, if so decided by the Bank, become forthwith due and payable by him/her/them to the Bank, upon the happening of any of the following events and the Bank shall be entitled to enforce its dues and security.
- i) any instalment of the principal remaining unpaid for a period exceeding one month after the due date for payment thereof has expired;
  - ii) any interest including penal interest remaining unpaid and in arrears for a period of one month after the same has become due whether demanded or not;
  - iii) any breach or default in the performance or observance of any of the covenants contained in these presents and/or the security documents or any other term or condition relating to the term loans;
  - iv) entering into any arrangement or composition with his/her/their creditors or committing any act of insolvency;
  - v) any execution or distress being enforced or levied against the whole or any part of the borrower(s)' property;
- vi) a receiver being appointed in respect of the whole or any part of the borrower(s) property;

- vii) the occurrence of any circumstances which is prejudicial to or impairs, imperils or depreciates or which is likely to prejudice, impair, imperil or depreciate the security given to the Bank ; and
- viii) the occurrence of any events or circumstances which prejudicially or adversely affect in any manner the borrower(s)' capacity to repay the amount due under the loan.

On the question whether any of the above event/s has/have happened, the decision of the Bank shall be conclusive and binding on the borrower(s).

Provided always that the Bank may in its discretion refrain from forthwith enforcing its rights under this Agreement in spite of the happening of the contingencies aforesaid and provided further that the failure or delay by the Bank in exercising any right, power or privilege hereunder or under any of the security documents shall not impair/extinguish the same or operate as waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies herein and in the security documents are cumulative and not exclusive of any rights and remedies provided by the law.

- s) The borrower(s) also agree that the Bank shall also be entitled to transfer loan account to any of the branches of the Bank after giving due notice to him/her/them.
  - t) The borrower(s) shall abide by the terms and conditions of the sanction of the loan to him/her/them as mentioned in the arrangement letter/sanction letter which forms part of this agreement and also to the rules for such loans which are now in force and also those which may be altered, revised, amended, added from time to time by the Bank/the Reserve Bank of India/Central Government/State Government.
- 10 The undertakings, authority and agreements herein contained shall be irrevocable so long as the borrower(s) continue to be liable to the Bank in the said loan account.
- 11 The borrower(s) hereby further agree that as precondition of the loan/ advance given to him/her/them by the Bank, that in case of default in repayment of the loan/advances or in the repayment of the interest thereon or any of the agreed installment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish his/her/their name(s), details and photograph(s) as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
- 12 The borrower(s) further agree that the Bank is at liberty to disclose/share his/her/their Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to me/us and the nature of the securities given by me/ us, the guarantees furnished to secure the said loans whether fund based or non-fund based, his/her/their creditworthiness and any other manner which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies and the Bank is not liable in any manner to him/her/them for providing the information as aforesaid to the Information Company.

- 13 The borrower(s) agree that the Bank has absolute right to assign this agreement in favour of any person including securitisation company or reconstruction company under the SARFAESI Act and on such assignment, The borrower(s) will be liable to such assignee as if assignee is the Bank/lender and assignee will have all rights against the borrower(s) and as well as overall properties either given as security or otherwise to recover all debts/liabilities payable by the borrowers under this agreement.
- 14 The borrower(s) declare that he/she/they have understood all the terms and conditions for the sanction of this loan and agree to abide by the same and also by the rules and regulations which may be issued by the Bank in future from time to time and in the event of his/her/their failing to do so, the Bank will have a right to recall the advance without prejudice to the Bank's right to take such appropriate action as the Bank may deem it fit and proper.

#### POWER OF ATTORNEY

The Borrower(s) irrevocably constitutes and appoints the Bank to be the Borrower's true and lawful attorney to do and execute for and in the name and on behalf of the Borrower(s) and where the Borrower(s) is /are more than one individual jointly and severally, all or any of the following acts, deeds and things, that is to say:

- (i) To create extension of the existing mortgage to secure the outstanding loan under this agreement together with interest and costs debited from time to time.
- (ii) To sign and register any document, deeds, form, contract, agreement, transfer, acceptance, receipt and any other document.
- (iii) To represent, appear, plead and compromise on behalf of the Borrower(s) before any Govt. authority or local authority, court, tribunal, whatsoever.
- (iv) To demand, claim and receive any money payable to borrower(s) from anybody else.
- (v) To pay any tax, charges, premia, settle or compromise such disputes etc. whatsoever on behalf of the borrower(s).
- (vi) To open, close and operate any accounts with banks or institutions whatsoever.
- (vii) To attend and represent the Borrower(s) before any authority or tribunal and for that purpose to sign execute and deliver all such documents and make all such declaration as may be necessary;
- (viii) Generally to act in the premises as fully and effectually with all intents and purposes and to do all things as are necessary and which the Borrower(s) would do if personally present;
- (ix) For all and any of the purposes aforesaid to appoint a substitute or substitutes.

The Borrower(s) hereby ratifies and confirms all the acts, things, deeds performed or to be performed by the Bank or its nominees or substitutes in pursuance of any of the aforesaid powers and the powers hereby conferred shall not be determined or affected by the fact of the Borrower(s) acting personally or through another in the premises;

The powers vested in the Bank shall be **irrevocable** and subsists in favour of the Bank till all the dues of the Borrower(s) to the Bank are fully satisfied.

The aforesaid powers under the Clause may be exercised by the Bank in its sole discretion but the exercise of the powers is not obligatory on the Bank.

## GENERAL PROVISIONS

### Variation

No variation of this Agreement shall be binding on any Party unless, and to the extent that such variation is recorded in a written document executed by such Party, but where any such document exists and is so signed such Party shall not allege that such document is not binding by virtue of an absence of consideration.

### Severability

If any provision of this Agreement is invalid, unenforceable or prohibited by law, this Agreement shall be considered divisible as to such provision and such provision, shall be inoperative and shall not be part of the consideration moving from either Party hereto to the other, and the remainder of this Agreement shall be valid, binding and of like effect as though such provision was not included herein.

### Force Majeure

Without prejudice to the provisions of this Agreement, the obligations of any Party under this Agreement shall be suspended while any such Party (the "Affected Party") is prevented or hindered from complying therewith by any cause beyond the reasonable control of the Affected Party. In such event, the Affected Party shall give written notice of suspension as soon as reasonably possible to the other parties (for the time being) to this Agreement stating the date and extent of such suspension and the cause and likely duration thereof. If within 48 (forty eight) hours from the receipt of such notice, a Party receiving the notice requests of a meeting of the Parties (for the time being) to this Agreement, then such Parties shall forthwith and in any event within 14 (fourteen) Business Days meet and discuss the nature and likely duration of the circumstances and the extent to which performance of the obligations of the Affected party shall be prevented or hindered and what action may be taken to ameliorate or remedy the position. Such Party shall take all reasonable steps within 30 (thirty) Business Days of the *force majeure* event unless the parties agree to an extension of the said period to ameliorate or remedy the position and shall communicate the same to the other Party. Without prejudice to the foregoing generality the Affected Party shall not unreasonably withhold its consent to any action suggested by any of such other Parties. For the purposes of this Section, a *force majeure* event shall include:

- 6 acts of God, including without limitation fire, storms, floods, earthquake or lightning.
- 7 war, hostilities, terrorist acts, riots, civil commotion or disturbances change in governmental laws, orders or regulations adversely affecting or preventing due performance by either party of its duties, obligations or responsibilities under this Deed, embargoes, actions by a government, Central or State in India or overseas, or any agency thereof, sabotage, explosions;
- 8 strikes, lockouts or other concerted industrial action; or

9 any other acts, occurrences, events or circumstances beyond the reasonable control of the Party affected.

**Notices**

Any notice or other communications to be given by one Party to any other Party under, or in connection with, this Agreement shall be made in writing and signed by or on behalf of the Party giving it. It shall be served by letter of facsimile transmission (save or otherwise provided herein) and shall be deemed to be duly given or made when delivered (in case of personal delivery), at the time of transmission (in the case of facsimile transmission, provided that the sender has received a receipt indicating proper transmission and a hard copy of such notice or communication is forthwith sent by prepaid post to the relevant address set out below) or five days after being dispatched in post, postage prepaid, by the most efficient form of mail available and by registered mail if available (in the case of a letter) to such party at its address or facsimile number furnished above in this document, or such other address or facsimile number as such Party may hereafter specify for such purpose to the other Parties hereto by notice in writing.

The Parties understand that some confidential information may be transmitted over electronic mail and there are risks associated with the use of electronic mail, which can include the risk of interception, breach of confidentiality, alteration, loss or a delay in transmission, and that information sent by this means may be susceptible to forgery or distortion and agree to accept the risks of distribution by electronic mail.

**Indemnification**

The Borrower(s) hereto indemnifies and agrees to hold the Bank harmless from and against all liabilities, obligations, losses, expenses, costs, claims and damages (including all legal costs), whether direct or indirect, asserted against, imposed upon or incurred by the Bank by reason of or resulting from any breach or inaccuracy of any representation, warranty or covenant set forth in this Agreement and / or any breach of any provisions of this Agreement by the Borrower(s). The indemnification rights under this clause are independent of, and in addition to, such rights and remedies, the Bank may have at law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

Signed and delivered by :  
Shri/Smt./Kum.....  
**(Borrower)**

(Signature)

Shri/Smt.Kum.....  
**(Borrower)**

(Signature)

**Signed for and on behalf of**  
**State Bank of India by**  
Shri/Smt.....

(Dy. General Manager/ Asst. General Manager/  
Chief Manager/ Branch Manager.....  
Branch, an authorized officer of State Bank of India

(Signature)

**'SBI-TRIBAL PLUS' HOME LOANS**  
(SPECIAL HOME LOAN SCHEME FOR HILLY/TRIBAL AREAS)

- (i) Home Loans to people residing in Hilly /Tribal areas
- (ii) No Mortgage of land
- (iii) Loans given against Third Party Guarantee
- (iv) Maximum loan Rs.10 lacs
- (v) Maximum Loan tenure 15 years

**1. Purpose**

In many Hilly /Tribal areas, granting of Home Loans has been rendered difficult due to the following :

1. Absence of any cadastral survey in such areas.
2. Absence of any system of issuing land Patta with Dag No., Patta No. etc.
3. Restrictions on transfer of land i.e., land is not legally transferable from a tribal person to a non-tribal etc.
4. Ownership over land lies with the community or the Chief of the village.

'SBI-Tribal Plus' Home Loans, a Special Scheme designed for Hill/Tribal areas for extending financial assistance to individuals in such areas to

1. Purchase or construction of a new house / flat (without mortgage of land)
2. Purchase of an existing (old) house / flat which is not more than 10 years old (In such cases, valuation report from our empanelled valuer and a certificate on the condition of the house to be given by a structural engineer or Govt. approved architect should be taken);
3. Repair /Renovation/extension of an existing house or flat.

**i) Eligibility**

- Individual(s) who are aged over 21 years of age (but not more than 60 years) who are
  1. permanent employees of Central or State Governments / Public Sector undertakings (PSU) / reputed Private Sector undertakings and have put in a minimum of 5 years service, subject to availability of check-off or
  2. Professionals, self-employed, businessmen and agriculturists etc. with minimum experience of 5 years in their respective sphere of activity and who (1) maintain satisfactorily conducted deposit accounts with us with an average balance of Rs.5000/- for the last two years or (2) maintains loan accounts which are satisfactorily conducted for a minimum period of 2 years(without any instance of overdues and bouncing of cheques etc.) and classified as Standard Assets. .

**3. Loan Amount:**

For employees :

36 times Net Monthly Income (NMI)



For professionals, businessmen and self-employed :

2 times average Net Annual Income (NAI) for the last 3 years on the basis Income-Tax Returns, along with audited/certified profit and loss account and balance sheets, I.T.Challans.

For Agriculturists :

2 times average Net Annual Income (NAI) for the last 3 years on the basis of their activity (i.e. farming, dairy, poultry and orchards), land holding, cropping pattern, yield etc. and the level of income derived there from.

In all cases, the maximum loan amount should not exceed Rs.10 lacs

In respect of the salaried borrowers, the income of the spouse may also be reckoned for NMI provided he / she is also a permanent employee of Government / PSU / Private Sector unit and is willing to guarantee the loan.

4. **Margin**

For construction/purchase of new/existing house/flat : 15%

For repairs/renovation/addition : 20%

5. **Type Of Loan**

Term Loan

6. **Security**

Since mortgage of land will not be available,

- a) Third Party Guarantee of another employee(s) (who fulfills the eligibility parameters stipulated for 'SBI-Tribal Plus' Home Loans) employed with Govt. / PSU / reputed Private Sector Undertaking whose net worth should be equal to the loan amount should be obtained. As an alternative to the third party guarantee, group guarantee of groups of 3-4 employees should be taken, all of whom are employed in the same organisation and whose salaries are routed through the Bank on the basis of irrevocable letter of authority/undertaking in this regard (in the formats stipulated for check-off in respect of Home Loans). In respect of loans to professionals, self-employed, businessmen and agriculturists etc. networth of the guarantor(s) should be equal to or more than the loan amount

Brief opinion report should be compiled on the borrower(s) and guarantor(s) on the basis of personal assets and liabilities statement in line with format specified for regular Home Loans. Further, copy of documents evidencing ownership of various assets should be obtained for our record.

- b) Lien on the Provident Fund account of the applicant should be noted, wherever possible. AGM (Region) /Branch may permit relaxation, subject to availability of check-off facility.
- c) The applicant should obtain a life insurance policy for a sum equal to the loan amount which should be assigned to the Bank. The recovery of the premium should be a part of check-off so that payments of premium are regular where it is not up front and one-time. In respect of loans to professionals, self-employed, businessmen and agriculturists, post-dated cheques should be obtained to cover the loan amount and the life insurance premium should be directly paid by the Bank to keep the policy alive.
- d) Liquid securities in the form of Bank's Term Deposit Receipts, life insurance policies issued by LIC/SBI-Life/other insurers ( endowment policies only), NSCs, KVPs, Govt. Promissory Notes, Shares and Debentures, Gold ornaments, Other fixed deposits etc. , duly assigned in Bank's favour, as collateral security. The aggregate value of such liquid securities should not be less than 30% of the loan amount in respect of salaried borrowers and 50% of the loan amount in respect of other classes of borrowers. In respect of salaried borrowers, group guarantee of groups of 3-4 employees may be accepted, provided all of them are employed in the same organization and their salaries are routed through the Bank on the basis of irrevocable letter of authority/undertaking in this regard

AGM of Region /Branches are vested with powers to reduce the requirement of liquid security to 15% of the loan amount in respect of loans sanctioned to employees only, in respect of tie-ups with govt. Departments, reputed corporates with availability of bulk business potential of not less than Rs.2 cr.

- e) The stipulation under (d) above may be waived at the discretion of the sanctioning authority provided borrower(s) or guarantor(s) offers mortgage of an immovable property owned by him/ her, located at other centres which is unencumbered and a valid equitable mortgage in favour of the bank can be created. The value of the property should be equal to the loan amount.

## 7. **Disbursement**

- A) In respect of construction of house/flat disbursements should be made only in phases corresponding to the actual progress in construction e.g. in various stages like completion of plinth, completion of lintel level, completion of roof, final completion etc. The branches should draw up the disbursement plan and disbursements should be made only after site inspection to verify progress of work and proper end-use of funds.
- B) In case of outright purchase of house, one-time disbursement may be permitted.

Disbursement to the builder/seller should be paid by means of Account Payee Banker's cheque/ Demand Draft duly incorporating the name of the their Banker and account number and should be dispatched by speed post/registered post to the builder/seller under cover of our standard forwarding letter used for regular Home Loans.

8. **Repayment**

Repayment by Equated Monthly Instalments (EMI) to be determined on the basis of the current rate of interest. The total repayment period should not exceed 15 years or the remaining period of service of the borrower, whichever is less in respect of salaried borrowers. In respect of other borrowers maximum repayment period of 15 years subject to liquidation of loan before the borrower attains 65 years of age. (The repayment period will include the moratorium, at the request of the beneficiary, covering the construction period or 18 months from disbursement of the first installment of the loan, whichever may be earlier). To prevent the account being classified as NPA during the moratorium period, post-dated cheques covering approximate pre-EMI interest should be obtained.

Repayment should be by way of check-off in respect of salaried borrowers and post-dated cheques in respect of other borrowers.(minimum 36 PDCs should be obtained in one lot). The extant provisions regarding dating, presentation, custody, replenishment penalty for bounced cheque, action under N.I.Act for bouncing of cheques etc. as applicable to regular Home Loans will be applicable to 'SBI-Tribal' Home Loans as we..

Pre-payment penalty and penal interest for delayed payment of EMI should be levied at rates as applicable to regular Home Loans.

9. **Interest**

As applicable to Home Loan Scheme.

10. **Free personal accident insurance cover**

Will be available in line with the extant instructions as applicable to regular Home Loans.

11. **Optional Group Insurance Cover from SBI-LIFE**

Will be available in line with the extant instructions as applicable to regular Home Loans.

12. **Papers / Documents**

- o Brief Opinion report on the borrower(s) and the guarantor(s) to be compiled and kept on record with special reference to verification of ownership of land by the applicant (suggested sources: Village Authority records, Sale / Allotment letters etc. (Personal Assets and Liabilities Statement should be obtained Opinion report should be compiled in line with instructions contained in our Circular No.....dated.....))

- Affidavit sworn by the applicant that he / she is the owner of the plot of land.
- Post-dated cheques towards EMIs representing monthly instalments may also be taken till the loan is liquidated.
- An agreement to mortgage is to be taken as a measure of abundant precaution in cases the Government authorities issue title-deeds along with permission to mortgage at a future date during the currency of the loan.

**11. Inspection**

- a) Owing to the fact that mortgage over the property financed is not possible, inspection should be done on half-yearly basis. Discreet local enquiries should be made to ascertain whether the ownership title has since been transferred to the borrower to ensure that the borrower(s) completes the equitable mortgage formalities.

In addition to pre-sanction survey of the borrower(s)/guarantor(s) residence/office as also property and post-sanction supervision during the disbursement stage, borrower(s) and guarantor (s) should be contacted on a monthly basis where the loan has slipped into NPA.

Proper record of the inspection should be made in the Inspection Register with appropriate remarks

**12. Discretionary Powers**

In terms of Scheme of Delegation of Financial Powers as applicable to regular Home Loans. Further, the Circle functionaries may quote improvement in pricing in line with the powers vested with them in respect of regular Home Loans.

**13. Insurance**

The house/flat should be should be insured for the market value of the property or loan outstanding whichever is higher covering risk of fire, earthquake flood, lightning, riots etc., in the joint names of the Bank and the borrower. A copy of the policy should be retained with the Bank duly entered in the Insurance Register. With a view to reduce the follow-up, the borrowers may be advised to obtain policy covering the entire loan period which will also enable them to avail the discounted tariffs quoted by the insurance companies.

**14. Processing Fees**

As applicable to Home Loan Scheme.

**15. End use of funds**

Borrower should submit copy of title deeds and other revenue records, copy of approved plans and approvals from the local body, estimate of construction etc., besides execution of Agreement to Mortgage.

**16. Financing purchase of property located at a place other than place of employment in respect of salaried employees**

As applicable to regular Home Loans

## SCHEME FOR FINANCING RURAL HOUSING

### **Background:**

Although Bank has implemented a rural housing scheme (Golden Jubilee Rural Housing Finance Scheme of RBI (GJRHFS)) under personal segment, we have not been able to comprehensively cater to the needs of the farming community and poorest of the poor for Home Loans in view of the peculiarity of the ownership title in rural areas, social habits, type of construction and other related needs not being fully covered under GJRHFS e.g. dwelling cum work area or shed for the cow etc. Considering the huge potential for Home Loans in rural areas, two new schemes viz, 1. GRAM NIWAS & 2. SAHAYOG NIWAS are launched.

### **"GRAM NIWAS"**

*(Home Loans to Farming and Poorest of the poor in Rural areas)*

**Objectives:** *To provide Home Loans to Farming and Poorest of the poor in Rural areas for the following purposes:*

- i) Purchase or construction of a house, including the cost of construction of work shed for pursuing income generating activities viz. dairy shed, tailoring shop, grocery store, work shed for village artisans etc.
- ii) Renovation or repair of existing house / shed which is not more than 15 years old in case of RCC / Tiled Roof (with steel/ wooden beams) and 5 years for other types of construction.
- iii) Purchase of a plot of land for the purpose of house construction .
- iv) Extension of existing house / work space.
- v) Extension of existing house to construct twin-structure of toilet and bathing room, costing about Rs.8600/- (in terms NABARD Model Scheme for provision of sanitation *Refinance to be claimed from NABARD under the Rural Housing Scheme with Automatic Refinance Facility.*)

If the plots owned are in different places in the same village, two separate loans for construction of house and work shed may be extended.

**Operational Area :** The Scheme will cover all rural and semi-urban centres. "Rural Area" for the purpose of the Scheme is the area comprised in any village including the area comprised in any town, the population of which does not exceed 50000 as per 2001 census.

**Location of the residential property being funded by us should be within the "Rural Area" as defined above.**

**Eligibility :** All Individuals (farmers, entrepreneurs, traders ,businessmen, employees etc.) **having satisfactorily conducted account with us** or a member of a Self Help Group having savings / loan accounts with us.

**Loan amount :**

The permissible loan amount will be decided by the repayment capacity defined as under -

Average Annual Income	Maximum permissible Installment to Income Ratio
Upto Rs.40,000	25%
Above Rs.40,000 and upto Rs.2 Lac	45%
Above Rs.2 Lac and upto Rs.5 Lac	55%
Above Rs.5Lac	60%

(Average of last two years' income will be considered for computation of the income eligibility). Regular income from all sources could be considered to arrive at the eligible loan amount, provided the sanctioning authority is satisfied about the same.

The loan amount will be limited to the Cost of the Project less margin money to be contributed by the applicant or the upper ceiling fixed for the activity.

Income of the spouse can be considered for computing the loan amount (i) where the property is jointly held with the spouse and the spouse is a co-borrower or (ii) the property is held in single name and the spouse stands as a guarantor.

**Maximum Loan amount :**

For construction/purchase of house :Rs.5.00 lacs  
 For repairs/renovation :Rs.2.00 lacs  
 For purchase of land : Rs.1.00 lac

**Age criteria :**

18 years to 50 years. Applicants above 50 years may be considered for sanction of loan with all the legal heirs joining as guarantors

**Assessment of Loan requirements :** For loans upto Rs.0.50 lacs, branches may take a decision based on a simple estimate prepared by the applicant, keeping in view the type of construction and the market rates for building materials/ labour costs prevailing in the area.

In respect of Home Loans above Rs.0.50 lacs, Circles will fix the specifications, depending upon the prevalent local practices, for two/three categories of houses(e.g. concrete wall & roof/concrete wall & asbestos roof/semi pucca construction with asbestos/tiled roof etc.), in consultation with an empanelled architect and the costs per square foot so fixed will be vetted by the Civil Engineer at LHO. The unit costs for the different categories so arrived at will be adopted for deciding the eligible loan amount in respect of Home Loans under the Scheme in the Circle. The rates may be reviewed once in three years and revised considering the impact of inflation on cost of building materials/labour costs.

**Margin :** Loan amount upto Rs.50,000 - 10% of the project cost.  
Loan amount above Rs.50,000 and upto Rs.5.00 Lac - 15%  
Loan amount above Rs.5 Lac - 20%

**Processing charges :** Waived. However Advocate's fee not exceeding Rs. 500/- should be recovered from the borrower for scrutiny of title deeds by Bank's empanelled Advocate.

**Security :**

- **Primary :** Equitable / Registered Mortgage of the house / plot.  
or  
Any other tangible security including agricultural land to cover  
100% of loan amount

(Considering the expenses involved for creation of registered mortgage , normally mortgage by deposit of title deeds should be obtained. However, registered mortgage over the property may be obtained in all cases where it is considered necessary by the sanctioning authority and also where title deeds do not exist.)

Mortgage may be waived for loans upto Rs. 50,000/- by obtaining a third party guarantee .

- **Collateral :** As we cannot proceed against agricultural land under the provisions of SARFAESI Act and as a 'farm house' , being exempt under Sec.60 of CPC, cannot be sold in execution if we file a civil suit, the branches may explore the possibility of obtaining collateral security covering the loan amount, wherever available.

**Repayment :**

Home Loans under the Scheme should be repaid over a period of not more than 15 years in equated monthly/quarterly/half yearly/yearly instalments (including a maximum moratorium period of 18 months from the disbursement of the first instalment of the loan or 2 months after completion of construction of the house whichever is earlier). The period of repayment and the instalments fixed for repayment should be decided upon the merits of each case, on a realistic basis, coinciding with the harvest of the crop at half yearly/yearly intervals or coinciding with the generation of income from ancillary agricultural activities pursued by the borrower eg. dairy/poultry etc. or in monthly/ quarterly instalments in case of other regular sources of income. The repayment could be made by post dated cheques or by executing standing instructions.

**Rate of interest :**

As offered under GJRHFS, a concession of 0.10% below the applicable card rate on the date of sanction. Latest instructions in this regard should be ascertained from Home Loan interest rate circulars.

**Facility:** TL or OD as in SBI Maxgain in case of eligible customers with ATM-cum-Debit card facility

**Insurance :**

The land and building should be insured at all times against fire, flood, cyclone, typhoon, lightning, explosion, riot, earthquake risks etc. for the full market value or 10% above the limit whichever is higher, at the cost of the borrower.

**Inspection :**

**As per Home Loan Scheme**

**Application :**

The application prescribed for Home Loans (Public) should be used with suitable changes, wherever required.

**Documentation :**

Security Documents applicable for Home Loans Scheme should be used with suitable changes, wherever required.



**Disbursements :**

To safeguard the Bank's interest and to prevent misuse of funds, disbursements should be made only in phases and should correspond with the actual progress made in construction e.g. at stages like completion of foundation, lintel level, roof level and final completion as follows :

1. For completion till foundation level : 15%
2. For completion of lintel level : 20%
3. For completion of roof level : 35%
4. For final completion : 30%

The disbursement plan should be drawn up by the branches and should be made after the branch is fully satisfied about the proper end use of funds through site inspection.

**Discretionary powers :**

The discretionary powers will be exercised as per the delegation advised by the respective LHO.

**Group Life Insurance Cover from SBI Life :**

As the coverage under group life insurance protects the borrower's family in the event of untimely demise of the borrower , the Scheme should be marketed to the applicants. The amount payable towards upfront premium will be considered as a part of the project cost.

**Personal Accident Insurance Cover :**

The personal accident insurance cover will be available to all Home Loans extended under the Scheme, at Bank's cost.

**Other Terms and Conditions :**

(a) Approval/Permit for construction issued by the local Village Panchayat, Gram Panchayat, Municipality should be obtained alongwith a copy of the approved plan, if any.

(b)The title deeds, land tax paid receipt, non encumbrance certificate and possession certificate should be scrutinized by the Bank's Advocate who should also obtain a search report to establish clear, absolute, and marketable title of the borrower.

**"SAHAYOG NIWAS"**  
**(RURAL HOME LOANS TO SELF HELP GROUPS)**

**Objectives :** To finance Self Help Groups for on lending to members for housing in rural areas, covering the following purposes.

1. For the purchase or construction of a house exclusively or including the housing needs of activities carried by them. ( Dairy shed, tailoring shed/shop, grocery stores etc.)
2. For the renovation or repair of an existing house / shed
3. For the purchase of a plot of land for the purpose of house construction.
4. For the extension of existing house / work space to existing house / shed.

If the plots owned are in different places in the same village two separate loans for the purposes of dwelling area and work shed may be extended.

**Operational Area :** In semi-urban and rural areas where SHGs are operating.

**Eligibility :** SHGs with a good track of payment record for 2 years.

**Loan amount :** 10 times the savings of the corpus of SHG. This ceiling would include the loan outstanding in the limits already sanctioned to SHGs SHG will on lend to its members for housing subject to a maximum of Rs. 50,000/- per member for purchase / construction of house and Rs. 25,000/- for repairs / renovations / purchase of plot.

**Classification :** All loans under this scheme will be classified as priority sector advances under SHG.

**Processing charges :** All handling charges such as processing fee, ledger folio fee etc are waived – except legal scrutiny fee which should not exceed Rs. 200/-

**Security :**

1. **Primary :** Group Guarantee of SHG members

**Repayment :** The repayment of instalment to be spread over a period of 15 years and the instalment amount to be fixed at monthly quarterly half yearly / yearly as is convenient .

**Rate of Interest :** As offered under GJRHFS, a concession of 0.25% below the applicable card rate on the date of sanction.

**Application :**

Specimen copy of the "Application to be submitted by SHG to the Bank branch while applying for Home Loan for its members " is enclosed as annexure.

**Documentation :**

- a. Article of Agreement for financing Home Loan to Self Help Groups (enclosed - annexure )
- b. Inter-se Agreement (enclosed - annexure )
- c. Arrangement Letter (enclosed - annexure )

**Discretionary powers :**

The discretionary powers will be exercised as per the delegation advised by the respective LHO.

**Other Terms and Conditions :**

SHGs should not charge to its members more than 3 % of interest rate charged by the Bank under this scheme.

**EARNEST MONEY DEPOSIT(EMD) SCHEME**  
**(LOAN FOR EARNEST MONEY FOR ALLOTMENT OF A HOUSE)**

- 1.Shortterm loan up to 100% of the application money with a maximum of Rs.10 lacs.
- 2.One person can be financed only for one application at any point of time.
- 3.Successful allottee can avail Home Loan

**Back round**

Many Government agencies, like Urban Development Authorities and Housing Boards, periodically come out with schemes for sale of plots/houses, wherein applicants have to submit 10-20% of the cost of plot/house as Earnest Money Deposit (EMD) and allotments are made by draw of lots.

2.Under our existing Home Loan Scheme, there is no provision for financing applicants for payment of this earnest money. This leaves a potential market for retail finance untapped. Further, customers who are financed for applying for allotment of a plot/house are also most likely to be converted into our home loan borrowers. To tap this segment, EMD scheme is designed for financing against earnest money for allotment of a house/plot.

2. Salient features of the scheme are:

**Purpose** : To finance applicants for earnest money for booking of residential plots/built-up houses being sold by Govt. housing agencies like Urban Development Authorities like PUDA, HUDA and Housing Boards.

**Eligibility** : Individuals above 21 years of age with a steady source of income.

**Minimum Income** : No minimum income criterion is stipulated.

**Margin** : Waived, subject to:  
(i) Allotment letters / refund orders should be routed through SBI  
(ii) Lump sum amount equal to 6 month's interest to be taken upfront.

**Loan Amount** : 100% of application money, **subject to maximum of Rs.10 lacs.**

*(Care should be taken to finance only genuine applicants and not to speculative buyers. One person can be financed only for one application at any point of time.)*

**Security** : Waived, subject to :  
(i) Allotment letters / refund orders should be routed through SBI.  
(ii) Lump sum amount equal to 6 month's interest to be taken upfront.

- (iii) 2 PDCs one for the principal amount of EMD and another towards interest for the next 6 months should be taken to meet the eventuality of refund getting delayed.

- Repayment Period** : In case of unsuccessful applicants – on receipt of refund from the Housing Board/Urban Development Authority.  
In case of successful applicants – lump sum repayment of the loan. If the applicant avails a regular Home Loan from us for purchase of house allotted to him/her or for construction of house on plot allotted to him/her, the loan may be paid out of the proceeds of the Home Loan.  
*(Sanctioning authority may allow longer period for repayment depending upon merits of each case, but not more than 12 months from the date of disbursement of the loan)*  
No penalty for prepayment.
- Rate of Interest** : 5.25% above Base Rate on the date of sanction.  
  
*(Interest is to be recovered upfront for the period till the refund / allotment is expected.)*
- Processing Fee** : 0.50% of the loan amount minimum Rs.100/-
- Disbursement** : The loan should be disbursed by issuance of draft/banker's cheque favouring the concerned Government Agency. The draft/banker's cheque should also bear application number of the borrower and the application should mention the account number of the borrower with our Bank for credit of refund in case of non-allotment.
- Type of Loan** : Demand Loan
- Documents required with application** :  
i) Proof of Identity\*  
- Voters I-card/Passport/Driving Licence/PAN Card etc.  
ii) Proof of residence\*  
- Passport/Driving Licence /PAN Card/Ration Card  
any other satisfactory proof of residence  
iii) Proof of Income  
*\*not required if the applicant is maintaining an account with us.*
- Security Documents** :  
i) Arrangement Letter  
ii) D.P. Note and D.P. Note Delivery letter.  
  
iii) An undertaking from the borrower to deposit the refund amount/lump sum repayment of the loan with interest.
- Authorised Branches** : All branches authorized to grant housing loans.

**“SBI REVERSE MORTGAGE LOAN”**  
(Loan for the welfare of Senior Citizens of India )

- *Income Supplement:* Enables house-owning Senior Citizens having inadequate income to meet their financial needs for renovation/repairs to house, medical & other personal purposes.
- *Retaining ownership:* The borrower continues to retain ownership of the house.
- *Social Security:* In the absence of social security for Senior Citizens, RML serves as a partial substitute.
- *No Repayments:* There is no compulsion for the borrower to repay a RML during his or her lifetime or till such time he or she continues to stay in the house.
- *Freedom and Flexibility:* Loan availed under a RML may be utilized for any purpose other than speculative purpose i.e. investing in shares, real estate, trading etc.
- *Pre-payment :* The borrower will have the option to prepay the loan at any time during the loan tenure and there will be no pre-payment penalty.

“SBI Reverse Mortgage Loan” launched with effect from 12<sup>th</sup> October 2007.

**2. Concept of Reverse Mortgage Loan (RML)** - The RML scheme is formulated for the old age care of home owners, who do not have adequate income to support themselves. Under the scheme, the Bank makes payments to the borrower / borrowers (in case of living spouse), against mortgage of his / their **residential** house property. Payment may be made either by way of (i) periodic installments or (ii) lump sum payments. The borrower is not expected to service the loan during his lifetime. The cause of loan recovery occurs on the demise of the last surviving borrower or on his/her leaving the house property permanently/happening of any event which triggers foreclosure. Outstanding loan amount is recovered by the Bank by selling the property, if the heirs do not repay the loan with interest. Thus as opposed to the normal mortgage schemes, where equity of the borrower increases over the period of loan, in case of RML equity of the borrower gets reduced over the period of loan.

3. Details of the product are as under -

S.No.	Parameter	Details
(1)	Objective of the scheme	To provide a source of additional income for senior citizens of India who own self-acquired and self-occupied house property in India.
(2)	Eligibility	
	a No. of borrowers	Single (subject to conditions) or jointly with spouse
	b Age of first borrower	Above 60 years
	c No. of surviving spouses on the date of sanction of	Should not be more than one. Borrowers will have to give an undertaking that they will not remarry during the currency of the loan. If the borrowers choose to remarry, the loan will be foreclosed.

		loan	
	d	Age of spouse	<u>Minimum age of spouse</u> <b><u>When loan is availed jointly with the spouse</u></b> Above 58 years <b><u>When loan is availed in single name</u></b> Not applicable (spouse is not a co-borrower)
	e	Residence	3 Borrower should be staying at <b>self-acquired</b> and <b>self owned</b> house /flat against which loan is being raised, as his <b>permanent primary residence</b> . 4 Mobile/Telephone/Credit Card bills/ Certificate from the Housing Society where the borrower is staying / Affidavit made before the Executive Magistrate may be accepted as proof of residence.
			5 Borrowers will be required to inform the Bank when they cease to use this residence as their permanent residence.
	f	Title of the Property	Borrowers should have a clear and transferable title in their names. Title verification and search report for a period of <b>30 years</b> will be required to be obtained from the Bank's empanelled advocate at borrowers' cost.
	g	Title of the property and number of borrowers.	<b>47. <u>Property Ownership- In single name</u></b> <b><u>Option I (Loan availed jointly with the spouse)</u></b> RML to be availed jointly with the spouse (spouse will be allowed to continue to stay in the house during his/her lifetime even after demise of the prime borrower). <b><u>Option II (Loan availed in single name)</u></b> RML can be availed in single name of the property owner, at his/her option. (Borrower's spouse will have to vacate the house after the demise of the borrower if the Bank's dues are not settled by the legal heirs) <b>48. <u>Property ownership - Jointly with spouse</u></b> RML to be availed jointly with the spouse.
	h	Encumbrances	The property should be free from any encumbrances. However in case of property purchased by availing Home Loan from SBI and mortgaged to SBI, it will be considered for RML, subject to closure of the Home Loan account out of the proceeds of RML.
	i	Residual Life of property	Should be at least 20 years in case of single borrower and 25 years in case of spouse being below 60 years of age. Certificate from empanelled engineer/architect will be required to be obtained for this purpose, in addition to valuation of property.
(3)		Security	The RML shall be secured by way of equitable mortgage of residential property.

(4)	Tenor	<p><u>Loan Tenor</u>  <b><u>When loan is availed jointly with the spouse</u></b>  If age of the <i>younger</i> of the borrowers is above 58 and upto 68 years : 15 years  If age of the <i>younger</i> of the borrowers is above 68 years : 10 years  <b><u>When loan is availed in single name</u></b>  As per the age of the borrower.  If age of the borrower is above 60 and upto 68 years: 15 years  If age of the borrower above 68 years : 10 years</p> <p><b>Note</b> - Loan tenor under RML does not indicate a period by the end of which loan becomes due for repayment. It only indicates the period for which the loan amount is discounted at a given interest rate for making payments equivalent to the discounted value to the borrower.  Loan tenor is fixed for the age brackets and should not be changed under any circumstances as Net Present Value of the loan amount anticipated to be outstanding at the end of loan tenor is paid to the borrower. <u>Therefore, borrower gets less payment if loan tenor is long, and more payment if loan tenor is short.</u></p>												
(5)	Disbursement	By credit to an SB account in the joint names of the borrowers operated by E or S.												
(6)	Periodicity of availing loan	<ul style="list-style-type: none"> <li>• Monthly / quarterly payments</li> <li>• <u>Lumpsum payment:</u>  <b>Limit under the lumpsum payment upto 50% of the total limit sanctioned. Remaining 50% of the limit to be disbursed through periodic payments.</b></li> </ul>												
(7)	Quantum of loan	<p>The loan amount would be 90% of the value of property. Loan amount would include interest till maturity.  i) The loan installments payable to the borrower(s) would be as under for a loan amount of Rs.1 lac (at interest rate of 10.75% p.a.):</p> <table border="1" data-bbox="576 1458 1458 1682"> <tr> <td>Loan Tenor (Years)</td> <td>10</td> <td>15</td> </tr> <tr> <td>Monthly installments (Rs.)</td> <td>468</td> <td>225</td> </tr> <tr> <td>Quarterly installments (Rs.)</td> <td>1,423</td> <td>687</td> </tr> <tr> <td>Lumpsum Payment (Rs.)</td> <td>36,022</td> <td>21,619</td> </tr> </table> <p>The <b>maximum</b> loan amount is proposed to be kept at Rs.1 Crore (monthly payment Rs.22,500/- for 15 years) and <b>minimum</b> Rs.3 lacs (monthly payment Rs.675/- for 15 years).  Example of arriving at the monthly instalments:  Property value : Rs.10 lacs  Qualifying loan amount (90% of property value) : Rs. 9 lacs  Tenor : 15 years  Monthly instalment : Rs. 225 x 9 = Rs.2,025/-</p>	Loan Tenor (Years)	10	15	Monthly installments (Rs.)	468	225	Quarterly installments (Rs.)	1,423	687	Lumpsum Payment (Rs.)	36,022	21,619
Loan Tenor (Years)	10	15												
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Lumpsum Payment (Rs.)	36,022	21,619												



ii) The scheme is extended to SBI Pensioners at a concessional interest rate of 1% below the rate applicable to the public. **Table of loan instalments payable per Rs. One lac of loan amount to SBI Pensioners, at concessional interest rate of 9.75% p.a. is furnished below:**

Tenor (Years) ->	10	15
Payment frequency		
Monthly Instalments (Rs.)	495	247
Quarterly Instalments (Rs.)	1504	752
Lumpsum payment (Rs.)	39442	24770

(8)	Purpose of Loan	Supplementing income, any personal expenses, house repairs, etc. Loan amount should not be used for speculative, trading and business purposes.
(9)	Repayment/Settlement	<ol style="list-style-type: none"> <li>1. The loan shall become due and payable only when the last surviving borrower dies or opts to sell the home, or permanently moves out of the home for to an institution or to relatives. Typically, a "permanent move" may generally mean that neither the borrower nor any other co-borrower has lived in the house continuously for one year or do not intend to live continuously. Bank may obtain such documentary evidence as may be deemed appropriate for the purpose.</li> <li>2. Settlement of loan along with accumulated interest is to be met by the proceeds received out of sale of residential property or prepayment by borrowers and his next of kin.</li> <li>3. The borrower(s) or his/her/their legal heirs / estate shall be provided with the first right to settle the loan along with accumulated interest, without sale of property.</li> <li>4. A reasonable amount of time, say up to 6 months, may be provided when RML repayment is triggered, for house to be sold.</li> <li>5. The balance surplus (if any), remaining after settlement of the loan with accrued interest and expenses, shall be passed on to the borrower or the estate of the borrower/legal heirs.</li> <li>6. Borrowers will be required to submit annual life certificates in the month of November every year. This certificate will also include clauses regarding marital status, and permanent residence of the borrowers, in addition to the balance confirmation as on 31<sup>st</sup> October of that year.</li> </ol>

		<p>7. List of legal heirs will be obtained at the time of sanction of loan. With a view to avoiding disputes at the time of settlement of loan amount by legal heirs, specific instructions about inheritance of the property and payment of balance amount, if any, of the sale proceeds after settling the Bank's dues, will be required to be part of the borrowers' Will.</p>
(10)	Foreclosure	<p>The loan shall be liable for foreclosure due to occurrence of the following events of default.</p> <ul style="list-style-type: none"> <li>• If the borrower(s) has/have not stayed in the property for a continuous period of one year</li> <li>• If the borrower(s) fail(s) to pay property taxes or maintain and repair the residential property or fail(s) to keep the home insured, the Bank reserves the right to insist on repayment of loan by bringing the <ul style="list-style-type: none"> <li>• residential property to sale and utilizing the sale proceeds to meet the outstanding balance of principal and interest.</li> </ul> </li> <li>• If borrower(s) declare himself/herself/themselves bankrupt.</li> <li>• If the residential property so mortgaged to the Bank is donated or abandoned by the borrower(s).</li> <li>• If the borrower(s) effect changes in the residential property that affect the security of the loan for the lender. For example: renting out part or all of the house by creating a tenancy right; adding a new owner to the house's title; changing the house's zoning classification; or creating further encumbrance on the property either by way of taking out new debt against the residential property or alienating the interest by way of a gift or will.</li> <li>• Due to perpetration of fraud or misrepresentation by the borrower(s).</li> <li>• If the government under statutory provisions, seeks to acquire the residential property for public use.</li> <li>• If the government condemns the residential property (for example, for health or safety reasons).</li> <li>• Any other event such as re-marriage of the borrower(s) etc which shall have an adverse impact on the loan settlement prospects.</li> <li>• Borrowers do not accept the revised terms on revaluation of property and interest reset at the end of every 5 years from sanction.</li> </ul>

		<ul style="list-style-type: none"> <li>Any violation of the terms and conditions of RML.</li> </ul>
(11)	Pre-payment of loan	<p>8. The borrower(s) will have option to prepay the loan at any time during the loan tenor.</p> <p>9. There will be no prepayment penalty.</p>
(12)	Valuation/Revaluation of property and option for the Bank to adjust payments.	<p>(a) After the initial valuation to determine the loan amount, subsequent revaluations will be done at intervals of 5 years.</p> <p>10. The Bank shall have the option to revise the periodic/lump-sum amount every 5 years along with revaluation. In the scenario of fall in property prices, the Bank may decide to revise the amount at any time earlier than 5 years. At every stage of revision, it should be ensured that the Loan to Value ratio does not exceed 90% at maturity.</p> <p>11. If the Borrower does not accept the revised terms, no further payments will be effected by the Bank. Interest at the rate agreed before the review will continue to accrue on the outstanding amount of the loan. The accumulated principal and interest shall become due and payable as mentioned in clauses 9 and 10.</p>
(13)	Interest Rate	<p><b>Public - 10.75% p.a.</b> (Fixed) subject to reset every 5 years.</p> <p><b>SBI Pensioners</b> -Concessional interest rate of 1% below the card rate applicable to public.</p>
(14)	Processing fee	0.50% of the loan amount, minimum Rs.500/- and maximum of Rs.10,000/-
(15)	Right of Rescission	As a customer-friendly gesture and in keeping with international best practices, after the documents have been executed and loan transaction finalized, borrowers will have right of rescission up to <b>seven days</b> to cancel the transaction. If the loan amount has been disbursed, the entire loan amount will need to be repaid by the borrower within this period. However, interest for the period may be waived. Processing fee shall not be refunded in such cases.
16	Continuation /foreclosure of loan in case of demise of the borrower	<p><b><u>Loan availed jointly with the spouse</u></b></p> <p>Loan is continued in case of demise of one of the borrowers. The surviving spouse continues to get the RML payments and is allowed to stay in the mortgaged house during his/her life time, subject to other foreclosure clauses. In the case of joint borrowing under RML where property is in the single name of one of the borrowers, in the event of death of the property owner, the Bank will have to allow the surviving co-borrower, who is the spouse</p>

		<p>of the deceased borrower, to continue to live in the mortgaged property and ensure continuation of payment of Reverse Mortgage Loan for the benefit of surviving co-borrower. For this purpose, the Bank will be required to ascertain that the surviving borrower continues to stay in the house. This may be done by way of inspection, at least once in a year, along with obtention of life certificate</p> <p><b><u>Loan availed in single name</u></b>  Loan becomes due for foreclosure.  (As there is no contract with the spouse, the property would be brought to sale by the Bank to recover the loan, if the legal heirs do not come forward to repay the loan and redeem the property. A letter as per the enclosed format will be taken from the spouse at the time of sanction of loan, to the effect that he/she is aware of the RML being availed by the spouse and that he/she will vacate the house on the death of the borrower or whenever the loan becomes due for repayment , if the loan is not repaid by the legal heirs)</p>
(17)	Insurance and maintenance of house property	<p>2 The house property will be insured by the borrower at his cost against fire, earthquake and other calamities.</p> <p>3 The borrower shall ensure to pay all taxes, charges etc.</p> <p>4 Bank reserves the right to pay insurance premium, taxes, charges etc. by reducing the loan amount to that extent.</p> <p>5 The borrower shall maintain the property in good condition.</p>
(18)	Operational issues:	
	a Type of facility	Non-renewable Overdraft without ledger folio charges. No cheque book / debit card will be linked to this account.
	b Income Recognition and Asset Classification	The loan will be treated as standard asset as long as repayment does not become due as per the prevailing norms. Interest applied will be booked as income as long as the loan remains a standard asset.
	c Discretionary powers for loan sanction	Same as for Home Loan sanction.
	d Classification in performance reports	Looking at the nature of the utilization of the loan, these loans may be treated as <b><u>Personal Loans against mortgage of immoveable properties.</u></b>
	e Loans to be made available at	All branches.
	f CIS Product code	50 33
	g CBS Product code	60 50 20 11

**Clarification on RML to Muhammadan borrowers :-**

*Reference was made by one of the Circles to the Corporate Centre, with regard to security of RML to the borrowers governed by Muhammadan Law in the light of provision contained therein that a Muhammadan is entitled to bequeath the property only to the extent of 1/3<sup>rd</sup> of the entire estate.*

**The correct legal position in this regard is as under:**

Under Muhammadan Law, a Muhammadan cannot, by Will, dispose of more than 1/3<sup>rd</sup> of the surplus of his estate after payment of funeral expenses and debts. The legal heirs, if any, inherit the property subject to the mortgage. Even though the mortgage charge prevails over the Will, Will should still be obtained in case of Muhammadan borrowers also, for the property that is mortgaged to the Bank, irrespective of the fact that it constitutes 1/3<sup>rd</sup> of the assets of the borrower. The Provisions necessary for binding the mortgage to debits made to the RML account as per the scope of the Loan Agreement for the benefit of the surviving co-borrower have been incorporated in the Arrangement Letter and RML Agreement.



To : The Branch Head  
State Bank of India

**Application For SBI Reverse Mortgage Loan**

1. Latest Photograph	<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;">           Affix latest photograph taken jointly with spouse .         </div>			
	1 <sup>st</sup> Applicant		2 <sup>nd</sup> Applicant	
2. Name				
3. Father's/ Husband's name				
4. PAN no.				
5. Date of birth (dd/mm/yyyy)	_/_/____		_/_/____	
6. Marital Status	Single Married			
7. Gender	Male Female		Male Female	
8. Relation with co-applicant				
9. Category	SC ST OBC General Minority		SC ST OBC General Minority	
10. Telephone Number / Email	Residence		Office	
	Office		Mobile	
	Mobile		E- Mail	
	E- Mail			
11. Residential Address with PIN code				
12. Details of residential property located at address mentioned @ 10 above.				
(i) House property registered in the name(s) of				

(ii) Loan/Liabilities outstanding against this property	Rs.
(iii) Year of construction	
(iv) Carpet area	
(v) Present estimated market value	Rs.

<b>13. Details of Loan requirement</b>	
(i) Purpose	
(ii) Amount	Rs.
(iii) Periodicity of receiving loan installments	Monthly      Quarterly      Lumpsum

**14. Details of Assets & Liabilities**

	1 <sup>st</sup> Applicant	2 <sup>nd</sup> Applicant
a. Account with Bank (Bank's Name)		
b. Branch Name		
c. Account No.		
d. Value of the house properties/ real estate owned.		
e. Value of Vehicles owned		
	1 <sup>st</sup> Applicant	2 <sup>nd</sup> Applicant
f. Bank Deposit		
g. Post office deposit		
h. PPF		
i. NSC/KVP		
j. SHARES		
k. Gold		
l. Life Insurance Policies		
m. Medical Insurance		
n. GPF		
o. Other investments		
p. Total		
q. Loans from friends and relatives		
r. Loan from credit society		
s. Loan from Banks		
t. Other liabilities		
u. Liability on account of standing guarantee		
v. Total		

**15. List of legal heirs**

Name	Age	Relation with 1 <sup>st</sup> Applicant	Relation with 2 <sup>nd</sup> Applicant

**16. References**

Bank may make enquiries about me/us with the under noted persons for doing a background check on me us.

	Name	Occupation	Address	Contact No/ E-mail id
<b>1</b>				
<b>2</b>				

**17. If you are SBI Pensioner , please mention details of pension account -****18. Declaration**

I / We declare that we are voluntarily making this application to State Bank of India with full knowledge of the features of SBI Reverse Mortgage Scheme. All the particulars and information given in the application form are true, correct and complete and that they shall form the basis of any loan, State Bank of India decides to grant me/us.

**The loan amount will not be used by us for speculative, trading or business purposes.**

I/We agree to undertake to inform State Bank of India regarding change in my /our occupation/employment/residential address/marital status and to provide any further information that the Bank may require on availing the loan. **I/we will not remarry during the currency of the loan period.**



I/We confirm that **I/ We do not have any other credit facilities with any bank** other than that mentioned above. I / We confirm that if I /we avail of any credit facilities with any other bank in future, **I/ we will furnish the details to State Bank of India** immediately.

**I/ We authorize the bank to credit all sums** received by the bank or standing to the credit in my /our name jointly or severally to the loan account, if necessary. I/We confirm that the funds will be used for stated purpose and will not be used for speculative purpose.

I / We confirm that we are resident. I also understand that the sanction of the loan is subject to execution of documents as per the Bank's requirements.

I/We agree that the **Bank has a right to make such enquiries about me/us** as it / they think(s) fit.

I/We authorize State Bank of India to engage services of experts for verification of title of my/our property and also for assessing value of the property. Expenses for the same shall be borne by us.

I/We further confirm and give my/ our express consent to State Bank of India for **disclosing information about this loan, if sanctioned by the Bank and availed by me/us** with the Credit Information Bureau of India (CIBIL) and other Institutions approved by the Government of India / Reserve Bank of India.

I/We agree to pay applicable **Processing Fee** for this loan.

	(	)	(	)
Signature	<b>1<sup>st</sup> Applicant</b>		<b>2<sup>nd</sup> Applicant</b>	
Place	_____		_____	
Date	_____		_____	

**SBI Reverse Mortgage Loan**  
**List of Document to be attached**

- Identification proof : State Bank Account No./ Passport / I'Card issued by Govt/ Voter Photo Id Card
- Address proof : Latest telephone bill / electricity bill/ credit card bill
- Birth date proof : Birth Certificate/Passport/Secondary/Higher Secondary / University Certificate/ Pension Payment Order.
- Copy of Title deeds :Title deeds, latest electricity bill paid, latest receipt of property tax paid
- Photograph of building Photograph showing full front view of the building in which the property is located.
- Photographs of applicants Two copies of photographs pasted on the application form
- Cheque towards payment of processing fee / advocates fee/ valuer's fee.

**SBI REVERSE MORTGAGE LOAN**  
**Pre-sanction survey**

**Checklist of documents to be obtained**

Particulars	Documents
Applicant	<ul style="list-style-type: none"> <li>(i) Completed loan application</li> <li>(ii) 3 photographs (including those affixed in loan application)</li> <li>(iii) Proof of identification: Electoral ID Card/Passport/Driving License/PAN card</li> <li>(iv) Proof of residence : Electoral ID card/Passport/Electricity Bill/Telephone Bill</li> <li>(v) Proof of date of birth : Birth Certificate /Passport / Matriculation Certificate/ University Certificate/ Pension Payment Order etc.</li> <li>(vi) Personal Assets and Liabilities statement in the RML application.</li> <li>(vii) Brief write up of securities charged in respect of other loans availed from our Bank/other Banks/Housing &amp; Auto Finance Companies/other sources</li> </ul>
Property	<ul style="list-style-type: none"> <li>(A) Sale Deed, Agreement of Sale, Original share certificate(s) issued by the society.</li> <li>(B) Land and Building tax paid receipts, possession certificate, location sketch of property certified by revenue authorities</li> <li>(C) Paid electricity bill/water bill/telephone bill with the address of the house which is</li> </ul>

	<p>being offered as security.</p> <p>(D) Letter of allotment from Housing Board/Society/Private Builder</p> <p>(E) Original of land tax paid receipt and possession certificate issued by the revenue authorities.</p> <p>(F) Copy of permission from Appropriate Authority and approved building plan (and also key plan/floor plan in case of purchase of flats)</p> <p>(G) Original NOC under ULCR Act 1976</p> <p>(H) Copy of the relative order in case of conversion of agricultural land</p> <p>(I) Original No objection certificate from Housing Society/Builder</p>
Lawyer's report	As per the standard format approved by the concerned LHO.
Valuation report from empanelled valuer	As per standard approved format.

**Pre-sanction background checking process :**

Place	Procedure
Residence of borrower	<p>a. Identify the borrower based on the proof of identification</p> <p>2. Identify the borrower's address on the basis of proof of residence.</p> <p>3. Ascertain borrowers' date of birth on the basis of documentary evidence.</p> <p>4. Ascertain period of stay in the current residence.</p> <p>5. Ascertain whether he/she has a credit card and name of the card issuer</p> <p>6. Number of children</p> <p>7. Number of other dependent relatives staying with the borrower</p> <p>8. Discreet local enquiries with neighbours, opinion makers etc. to ascertain antecedents, credentials of the borrower</p> <p>9. Whether he/she owns a car and/or two-wheeler in his/spouse's name. The vehicle number and name of the owner may be recorded and the name of financiers, if any.</p> <p>10. Sanctioning Authority may make enquiries with the applicant's bankers, if he deems it necessary</p>
Property proposed to be mortgaged	<p>a) Independent and surprise visit to be made to the property.</p> <p>➤ Identify the property based on details in title documents.</p> <p>➤ Landmarks for reaching and identification of the property to be recorded</p>

	<ul style="list-style-type: none"><li>➤ Accessibility/approachability i.e. all modes of transport/ car/two wheeler only/others</li><li>➤ Ensure that proper access is available to the property i.e. roads etc.</li><li>➤ Comments on the locality i.e. whether residential/commercial/underdeveloped/ trouble prone.</li><li>➤ Comment whether the area is posh/upper middle class/middle class/lower middle class/slum area</li><li>➤ Discreet enquiries with the owners/occupants of neighbouring houses in respect of the ownership of the property, information on any pending disputes/litigation etc.</li><li>➤ Ensure that the property is kept in good and tenatable condition.</li><li>➤ Ascertain whether the property is rented out and, if so, for how long and the rentals p.m. Whether leased to an institution for occupation of its employees or rented out to an individual /business concerns</li></ul>
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**SBI REVERSE MORTGAGE LOAN  
PRE-SANCTION INSPECTION REPORT**

Sl.No	Particulars	Observations
1.	Name of the applicant(s)	
2.	<b>Visit to Residence of the applicant</b>	
	a. Proof of identification	
	b. Proof of primary residence and whether it tallies with the property proposed to be mortgaged?	
	c. Residential telephone number	
	d. Mobile Number, if any	
	e. Proof of Date of birth	
	f. Occupation	
	g. Credit card details, if any	Name of the card issuer Credit card number No. of credit cards & outstanding balance
	h. Name and age of the spouse	
	i. Number of children	
	j. Names and addresses of legal heirs	
	k. Whether applicant owns a car and/or two-wheeler in his/spouse's name. If so, model and regn. number of the car and name of the financiers, if any	
	l. Feedback based on discreet enquiries about credentials/ antecedents of the applicant made with the neighbour (s) and his/her name	
	m. Feed back from the applicant's bankers*(if deemed necessary)	
	n. Feedback from references mentioned in the application	
	o. From their present bankers (to be cross checked with the opinion report furnished by them)	
3	<b>Property details</b>	
	a. Whether the property could be located based on the title documents	
	b. Land marks for identification of the property	
	c. Comments on accessibility /approachability	All modes of transport/ Car/ two-wheeler only/ narrow walking path/ no access
	d. Comments on the locality	Posh/ upper middle class/ middle class/ lower

			middle class/slum area
	e.	Comments on the area	Residential/ commercial/ industrial/ underdeveloped/ trouble prone
	f	What is the going property rate in the area?	
	g	Feedback from the neighbours about the ownership of property, information on any disputes/ pending litigation on the property and name of the person contacted	
	h	Condition of the house i.e. whether it is kept in good and tenatable condition	
	i.	a)Whether the property is rented out b) if so, for how long it is rented out, c)name of the tenant d) and monthly rentals	

Authorised Signatory  
(Sign., Name & Designation)

Date :

**SBI Reverse Mortgage Loan  
Specimen Appraisal Form**

1	Name (s) of the applicants	1 <sup>st</sup> Applicant	2 <sup>nd</sup> Applicant
2	Address of residence offered for mortgage		
3	Status of Pre-sanction background check.	<p>Pre-sanction background check has been carried out by _____ on _____.</p> <p>Report Enclosed.</p> <p>Appraising official's comments on identification of the applicants and documents furnished for identification. Please state whether background check is satisfactory or not.</p>	
4	Comments on eligibility	<p>Age of 1<sup>st</sup> Applicant -</p> <p>Age of 2<sup>nd</sup> Applicant (Spouse) -</p>	
5	Comments on title of the property. Whether the property is acceptable as security ?		
6.	Residual life of property		
7	Valuation of the property	<p>(i) As per valuer's report dated _____, property is valued at Rs._____.</p> <p>(ii) Value assessed by the appraising official for the purpose of computing quantum of loan eligibility Rs._____.</p> <p>(Comments if difference between the two is more than 10%)</p>	
8	Qualifying loan amount	90% of the assessed value of property. (Max. Rs. 1 Crore)	
9	Interest rate		
10	Loan tenor		

11	Periodicity of availing loan	Monthly payments / Quarterly payments / Lump sum payment
12	Payment per period	(Payment per Rs.1 Lac for the chosen periodicity) x (qualifying loan amount in (8) above)/100000
13	Documents	
14	Net worth of the borrowers	Net worth of the borrowers as per opinion report compiled on _____ is Rs. _____ (1 <sup>st</sup> applicant) And Rs. _____ (2 <sup>nd</sup> applicant)
15	Processing fee	

16. General remarks and recommendations.

State Bank of India  
Branch/RACPC

Date -

Appraising Official  
Name  
Designation



(Control cards on the following format should be compiled in respect of all SBI Reverse Mortgage Loan Accounts and maintained in serial order in a separate file till full disbursement and along with security documents thereafter, for facilitating verification by the Inspecting Officials/Controllers etc.)

### SBI REVERSE MORTGAGE LOAN - CONTROL CARD

A/c. No.		
Name of the borrower(s)	(iii) Shri/Smt./Kum (iv) Shri/Smt./Kum.	
Contact Number	Office : Residence:                      Mobile No. E mail add:	
Purpose		
Loan amount	Rs.	
Mode of payment of instalments	Monthly / Quarterly / Lumpsum Amount of instalment - Rs.	
Date of sanction		
Details of property	Land admeasuring .....in S.No....at.....(location of property)	
	Building No.... at.....(address of the building)admeasuring..sq.ft. (single/two storeyed building)	
	Flat No.....at.....(address of flat) including undivided share of land.....(area of undivided share of land)	
Land mark for identification of property		
Lawyer's report	Advocate	Dated
Valuation report	Valuer	Dated
Assessed Property Value	Rs.	
E.M. Recital folio No.		
Insurance policy & Insurance Reg. folio No.	Rs.	valid upto
Documents due for revival on		
Pre-sanction survey conducted by	Asst./Dy.Manager (Advances)/Manager (PBD)	
Pre sanction survey conducted at	Borrower's residence on : (verified the proof of residence and proof of identity and found them to be in order.)	
Comments of the official		
Signature of the official		
<b>Record of Life Certificate</b>		
Date	Signature of document custodian	Remarks

**SBI Reverse Mortgage Loan-Arrangement Letter**

1.

STATE BANK OF INDIA

To

.....BRANCH

Shri/Smt./Kum.

.....

1).....

2).....

Ref No :

Date :

Dear Sir,

**Personal Banking Advances****SBI Reverse Mortgage Loan**

With reference to your application dated \_\_\_\_\_ for SBI Reverse Mortgage Loan, we are pleased to sanction loan as per under noted particulars and on the terms and conditions stipulated in this letter -

2. **Security** - Equitable Mortgage of your residential property described below which is your permanent residence as informed by you to the Bank -

<b>Name of the owner as per the Title deed</b>	
<b>Description of property</b>	
Flat / House No.	
Name of the building	
Plot No.	
Street Name	
Name of the area	
City	
PIN Code	
House Tax Assessment No.	
Electricity consumer No. /Connection details	
Carpet area, Sq. Ft	
Built up area, Sq. Ft	
Super Built-up area, Sq. Ft	
<b>Bounded by</b>	
On the East	
On the West	
On the North	
On the South	

3. Present market value of the above property as per the Bank's Assessment is Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_)

4. **Loan amount** - Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_)  
(Loan amount includes interest till normal estimated maturity of the loan)

5. **Disbursement** -

(i) Loan will be disbursed to you as under as per your choice \* -

The above mentioned property is mortgaged to State Bank of India as security for Home Loan availed by you\*. Loan outstanding in your Home Loan account will be repaid out of the proceeds of this loan.\* **(\*Strike off the portion which is not applicable)**, and thereafter a

Monthly payments of Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_) per month for a period of \_\_\_\_\_ (no.of instalments) months, starting from the date of your choice but not later than one month from the date of this letter.

Or

Quarterly payments of Rs \_\_\_\_\_ (Rs. \_\_\_\_\_) per quarter, starting from the date of your choice, but not later than one month from the date of this letter.

Or

Lumpsum payment of Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_).

(ii) **Bank shall have the option to revise the periodic amount along with revaluation every five years from the date of loan documentation. Bank shall have the right to reduce this period from five years in the event of a fall in property value or for any reason as deemed fit by the Bank. At every stage of revision, the Bank would ensure that the Loan to Value ratio does not exceed 90% at maturity. In case you do not accept such revised terms, no further payments will be effected by the Bank. Interest at the rate agreed before the review will continue to accrue on the outstanding amount of the loan. The accumulated principal and interest shall become due as mentioned in the clauses pertaining to Repayment/Settlement and Foreclosure in this letter.**

(iii) Loan will be disbursed by credit to your Savings Bank account with State Bank of India. In case of joint loan with spouse , **Savings Bank account will have to be in your joint names, operated by Either or Survivor.** Notwithstanding the death of one of the borrowers, the loan sanctioned/dispensed/partly dispensed by the Bank shall continue to remain available/devolve on the surviving borrower, and the debits on account of disbursement made to the surviving borrower within the scope of this agreement subsequent to the death of one of the borrowers shall continue to be treated as loan availed by both the borrowers and the mortgaged property described in schedule-I shall continue to remain charged to the Bank for the total loan amount without the necessity of obtaining confirmation from the surviving borrower / legal heirs, and without the need for fulfilling any other formalities by the surviving borrower / legal heirs.

6. **Interest rate** - Interest will be charged @ \_\_\_\_\_% p.a (Fixed) on daily balance at monthly rests. **Interest rate is subject to reset at the end of every five years on the basis of fixed interest rates prevailing then.** SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exist or not. **In case you do not accept such revised terms, no further payments will be effected by the Bank. Interest at the rate agreed before the review will continue to accrue on the outstanding amount of the loan. The accumulated principal and interest shall become due as mentioned in the clauses pertaining to Repayment/Settlement and Foreclosure in this letter.**
7. **Purpose** - The loan is sanctioned to you for the purpose of supplementing income, to meet personal expenses. **It should not be used for speculative, trading and business purposes.**
8. **Repayment/Settlement** - (i) The loan shall become due and payable only when you / last between you dies or opts to sell the home, or permanently moves out of the home to the home for aged care or to an institution or to relatives. Typically, a "permanent move" may generally mean that neither you nor at least one of you\*\* has lived in the house continuously for one year or do not intend to live continuously. You will be required to submit acceptable documentary evidence deemed appropriate for the purpose to the Bank whenever the Bank makes a demand for the same.
- (ii) Settlement of loan along with accumulated interest and charges debited to your account is to be met by the proceeds received out of sale of mortgaged residential property or prepayment by you and/or next of your kin.
- (iii) Your legal heirs / estate shall be provided with the first right to settle the loan along with accumulated interest, without sale of property. A reasonable amount of time, maximum up to 6 months may be provided by the Bank for house to be sold , when repayment of this loan is triggered.
- (iv) The balance surplus (if any) remaining after settlement of the loan with accrued interest and expenses, shall be passed on to you or your estate /legal heirs.
9. **Prepayment** - You will have an option to prepay the loan at any time during the loan tenor. There will be no prepayment penalty.
10. **Foreclosure** - The loan shall be liable for foreclosure due to occurrence of the following events of default.
- If you have not stayed in the said property for a continuous period of one year
  - If you fail to pay property taxes or maintain and repair the residential property or fail(s) to keep the home insured, the Bank reserves the right to insist on repayment of loan by bringing the residential property to sale and utilizing the sale proceeds to meet the outstanding balance of principal and interest.
  - If you/ any one of you declare yourself bankrupt.
  - If the residential property so mortgaged to the Bank is donated or abandoned by you.

- If you allow changes in the residential property that affect the security of the loan for the Bank as a lender. For example: renting out part or all of the house by creating a tenancy right; adding a new owner to the house's title; changing the house's zoning classification; or creating further encumbrance on the property either by way of taking out new debt against the residential property or alienating the interest by way of a gift or will.
- Due to perpetration of fraud or misrepresentation by you.
- If the government under statutory provisions, seeks to acquire the residential property for public use.
- If the government condemns the residential property (for example, for health or safety reasons).
- Any other event such as **marriage/re-marriage/divorce by you/any one of you etc. which shall have an adverse impact on the loan settlement prospects.**
- If you fail to submit Life Certificate in the prescribed format and manner within the stipulated time period every year.
- If you do not accept the revised terms on revaluation of property and interest reset at the end of every 5 years.
- Any violation of the terms and conditions of RML detailed in the Loan Agreement.

11. **Life Certificate** - You/both of you will be required to submit annually life certificates in the month of **November** every year in the format prescribed by the Bank.

12. **Demise** - The borrowers undertake that the surviving borrower, in case of joint borrowing, shall inform the Bank about the demise of the deceased borrower and the provisions in his/her last Will, within a period of one month from the date of demise.

13. **Will/ List of legal heirs** - You/both of you in case of joint ownership of property, will have to submit a list of your legal heirs to the Bank. With a view to avoiding disputes at the time of settlement of loan amount by legal heirs, you will be required to give specific instructions about inheritance of the property and balance amount, if any, in your Will/respective Wills. **In case where title is in single name and borrowing is joint with spouse, the Title Holder will be required to make a Will in favour of the other spouse.**

14. **Marital Status** - You/either of you shall not marry/remarry/divorce during the currency of the loan. Should you choose to marry/remarry/divorce, the loan will be foreclosed.

15. **Insurance and maintenance of house property** - The house property will be insured by you at your cost against fire, earthquake and other calamities with Bank's insurable interest noted on the policy. You will have to pay all taxes, charges etc. on the property. You shall maintain the property in good condition. Bank shall reserve the right to pay insurance premium, taxes, charges etc., by reducing the loan amount to that extent.

16. **Inspection** - The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

17. **Legal expenses etc.** - All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premia, stamp duty, registration charges and other incidental expenses incurred in connection with the loan shall be borne by you.

18. **Taxes and Govt. dues** - The Bank reserves the right to collect from you any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.

19. **Processing Fee** - You will be required to pay a processing fee @ \_\_\_\_\_ % of the loan amount (minimum Rs \_\_\_\_\_, maximum Rs. \_\_\_\_\_) i.e. Rs. \_\_\_\_\_ upfront.

20. **Documents** - The loan will be disbursed only on the following conditions :

- a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank.
- All the security documents prescribed , duly stamped at your cost, have been executed by you/co-applicant (s) -
  - (a) Copy of this letter duly signed by you
  - (b) Loan agreement
  - (c) Equitable Mortgage Recital
  - (d) Equitable Mortgage Confirmation Letter
  - (e) Will
  - (f) Letter, in the prescribed format , from the spouse in case where loan is in single name even though the spouse is alive.
  - (g) \_\_\_\_\_
  - (h) \_\_\_\_\_

21. **Right of Rescission** - As a customer-friendly gesture and in keeping with international best practices, after the documents have been executed and loan transaction finalized, you will have right of rescission up to **seven days** to cancel the transaction. If the loan amount has been disbursed, the entire loan amount will need to be repaid by you within this period. However, interest for the period may be waived. Processing fee shall not be refunded in such cases.

22. **Disclosure** - Information pertaining to the loan account will be shared by the Bank with agencies like Credit Information Bureau of India Limited (CIBIL) and other credit rating agencies, any other agency as per RBI/Banking Regulator's guideline.

Yours faithfully,

**Asst. General Manager/Chief Manager/Branch Manager.**

(i) Received the original. I/We, the undersigned have read/has (have) been explained and understood the terms and conditions governing the sanction of loan. I/We agree

to the terms and conditions as set out in this letter and as such accept the loan arrangement without any reservations.

(ii) I/we have opted for **monthly/quarterly / lump sum** (strike off which ever is not applicable) loan payment beginning from \_\_\_\_\_ **(date)**.

(iii) I/We shall use the loan for the purpose of supplementing income, to meet personal expenses. We shall not use the same for speculative, trading and business purposes.

**Borrower(s)**

Date -

Place-

\_\_\_\_\_

\_\_\_\_\_

**(To be stamped as an Agreement + Power of Attorney + Indemnity as per the Stamp Act of the respective states.)**

**SBI Reverse Mortgage Loan  
LOAN AGREEMENT**

**THIS LOAN AGREEMENT** made at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_ (place) \_\_\_\_\_ (date) (name of  
the month) (year).

**BETWEEN**

1. **State Bank Of India** a Corporation constituted under the State Bank of India Act 1955, and having one of the Local Head Office at \_\_\_\_\_ and amongst other places a branch office at \_\_\_\_\_ (hereinafter referred to as "**the Lender**" which expression shall unless it be repugnant to the subject or context thereof, be deemed to include its successors and assigns) of the **One part**;

2 (i) (Use in case of Single borrower) (Mr/Mrs/Ms. \_\_\_\_\_ S/o, W/o, D/o \_\_\_\_\_ aged about \_\_\_\_\_ years, residing at \_\_\_\_\_ (hereinafter referred to as "**the Borrower**" which expression shall unless it be repugnant to the subject or context thereof, be deemed to include his/ her heirs, executors, administrators and permitted assigns) of the **Other part**;

**OR**

2 (ii) (Use in case of joint borrowers) Mr/Mrs/Ms. \_\_\_\_\_ S/o, W/o, D/o \_\_\_\_\_ aged about \_\_\_\_\_ and Mr/Mrs/Ms. \_\_\_\_\_ S/o W/o D/o \_\_\_\_\_ aged about \_\_\_\_\_ years both residing at \_\_\_\_\_ (hereinafter referred to as "**the Borrower**" which expression shall unless it be repugnant to the subject or context thereof, be deemed to include his/ her heirs, executors, administrators and permitted assigns) of the **Other part**.

**WHEREAS**

The Borrower (or where the Borrower includes spouse, one of them) is a Senior Citizen as hereinafter defined and is the absolute owner of a self acquired and self occupied house property more particularly described in Schedule 1 hereto ( hereinafter referred to as "**the residential property**") and has applied vide Loan Application dated \_\_\_\_\_ to the Lender for a loan of against the security of the said residential property for the purpose, mentioned in the agreement.

(a) The Lender, on the basis, *inter alia*, of the application has agreed to grant the loan to the Borrower upon terms and conditions hereinafter set forth.

**NOW THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS**



## ARTICLE-1

### DEFINITION AND INTERPRETATION

#### 1.1 Definitions

In this Agreement, the following words shall have the meaning as explained under :

“**Agreement**” means this Loan Agreement together with the Schedules and Annexures attached hereto as may be amended from time to time in accordance with its terms.

“**Annexure**” means the Annexure(s) or Schedule(s) to this Agreement.

“**Bank**” means State Bank Of India, constituted under the State Bank Of India Act 1955.

“**Borrower**” means a single or two borrowers (husband and wife) as the context may require.

“**Business Day**” means:

(a) for determining when a notice, consent or other communication is given, a day that is not a Sunday or public holiday in the place to which the notice, consent or other communication is sent; and

(b) for any other purpose, a day (other than a Sunday or public holiday) on which banks are open for general banking business in Mumbai.

“**Encumbrance**” means a mortgage, charge, lien, pledge, hypothecation, or security, interest of any description whatsoever and also “negative lien” and “non-disposal” undertakings, if any given by the Borrower.

“**Loan**” means the amount of the loan agreed to be made available under the Agreement as described in Article 3 and shall wherever the context so requires include the outstanding amount of the loan.

“**Loan Amount**” means the amount of the loan and includes outstanding interest, fees, charges, levies, expenses, claims, costs, and /or other dues payable to the Lender in relation thereto.

“**Outstanding Amount**” means the amount outstanding to be repaid under the Loan which amount shall include the principal, interest and such other expensed as are agreed to be borne by the Borrower under this Agreement, when it becomes due.

“**Residential Property**” means the residential property (a house or a flat) located in India and more particularly described in **Schedule I** hereto which is self acquired and self occupied by the Borrower and owned by the Borrower, but shall not include commercial property which is made available as security for the loan.

“**Right to Rescission**” means the Borrower’s right to cancel the loan within **seven** Business Days of its closing

“**Senior Citizen**” means a person who is not less than 60 years of age, as on the date hereof and includes spouse of the borrower who has completed 58 years of age;

#### 1.2 Other Terms

Other terms may be defined elsewhere in the text of this Agreement and unless otherwise indicated shall have such meaning throughout this Agreement.

#### 1.3 Interpretation

- (i) Wherever the context so requires, any reference to the singular includes the plural and any reference to the plural includes the singular respectively;
- (ii) Words of any gender are deemed to include the other gender;
- (iii) The arrangement of clauses shall have no bearing on their interpretation,
- (iv) Words denoting a person shall include the individual, corporation, company, partnership trust or other entity, provided however that clause specifically applicable to a company or body corporate shall not apply to any other entity.
- (v) Heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation.
- (vi) Reference to the word 'include' or 'including' shall be construed without limitation;
- (vii) Schedules, sub-Schedules and Annexure to this Agreement shall form an integral part thereof.

1.4 The terms and expressions not herein defined shall where the interpretation and meaning have been assigned to them in terms of the General Clauses Act, 1897, have that interpretation and meaning.

## *ARTICLE 2*

### **PURPOSE OF THE LOAN**

#### **2.1 Purpose for which the Loan to be used.**

The loan under this Agreement shall be used for one or more of the following purposes, namely:-

- (a) Up-gradation, renovation and extension of residential property.
- (b) Uses associated with home improvement, maintenance/ insurance of residential property.
- (c) Medical emergency expenditure for maintenance of family.
- (d) Supplementing pension/ other income
- (e) Repayment of an existing loan taken for the residential property and
- (f) Meeting any other genuine need as may be specified by the Borrower and agreed to by the Lender,

#### **2.2 Purposes for which the Loan cannot be used.**

The Loan under this Agreement shall not be used for speculative, trading or business purposes.

2.3 The Borrower hereby agrees to abide by the aforesaid terms and conditions in Article 2.

## *ARTICLE 3*

### **AGREEMENT AND TERMS OF THE LOAN**

#### **3.1 Amount of Loan**

The Lender agrees to lend to the Borrower and the Borrower agrees to borrow from the Lender for the purposes specified in Article 2 hereof and on the terms and conditions contained herein a sum not exceeding Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ Only). The said sum hereinafter referred to as "the Loan".

The Lender reserves the right to revalue/cause to revalue the residential property mortgaged to it to secure the Loan at intervals of every **five years** and revise the quantum of Loan based on such revaluation. The Lender shall have the right to reduce this period from five years in the event of a fall in property value or for any reason as deemed fit by the Lender. Revaluation shall be done by method decided by the Lender.

The Borrower shall have the option to accept the revised amount of Loan. Loan is liable for foreclosure in the event of the Borrower not agreeing to the revised Loan amount. Loan disbursed before revaluation will be the amount of the Loan agreed between the parties and shall continue to carry interest at the agreed rate and the Lender shall not be required to make any further disbursements.

### **3.2 Disbursement of Loan**

- (a) The Loan shall be disbursed at monthly/ quarterly/ half yearly/ yearly intervals/ or in lump sum or as a committed line of credit/ or in any combination of the above as may be mutually agreed between the Lender and the Borrower. In the event of the demise of the Borrower, the un-disbursed amount of the Loan shall be disbursed to the surviving spouse. Except in cases where the Loan is to be used for (a) retirement of existing debt (b) payment to contractor for repairs of the residential property (c) payment of property taxes or (d) payment of insurance premium of the residential property where the Loan shall be disbursed directly by the lender to the concerned party, the Loan shall be disbursed by crediting the disbursements of the Loan in a Bank Account designated by the Borrower or by the surviving spouse for the purpose.
- (b) The Loan will be disbursed in the manner stated above subject to the Borrower complying with the provisions of this Agreement and the Lender' scheme named SBI Reverse Mortgage Loan scheme for financing of senior citizens against mortgage of residential property in accordance with disbursement procedure stipulated in the **Arrangement Letter for SBI Reverse Mortgage Loan dated \_\_\_\_\_ , duly signed by the Borrower** in token of acceptance of the terms and conditions stipulated therein. Copy of the said Arrangement Letter has been given to the Borrower. Notwithstanding the death of one of the borrowers, the loan sanctioned/disbursed/partly disbursed by the Bank shall continue to remain available/devolve on the surviving borrower, and the debits on account of disbursement made to the surviving borrower within the scope of this agreement subsequent to the death of one of the borrowers shall continue to be treated as loan availed by both the borrowers and the mortgaged property described in schedule-I shall continue to remain charged to the Bank for the total loan amount without the necessity of obtaining confirmation from the

surviving borrower / legal heirs, and without the need for fulfilling any other formalities by the surviving borrower / legal heirs.

- (c) The Borrower hereby acknowledges having received a copy of the **SBI Reverse Mortgage Arrangement Letter** and undertakes to comply with the terms and conditions stipulated therein by the Lender.

### **3.3 Interest**

- (a) The principal amount of the Loan outstanding from time to time shall carry interest at the **fixed rate of** \_\_\_\_\_ % per annum with monthly rests. Interest rate will be subject to reset at the end of every 5 years at the rates prevailing at the time of reset.
- (b) The interest shall be debited to the Loan account of the Borrower at monthly rests and shall carry further interest at the rates specified in clause (a) above upon the footing of interest becoming part of the principal with rest taken or made monthly.
- (c) Any amount paid or payable by the Lender to the Central or State Government on account of any tax levied on interest on the Loan by the Central or State Government shall be borne by the Borrower and unless reimbursed by the Borrower shall be deducted by the Lender from the Loan.
- (d) Any other charges, fees, premia, etc. debited in the Borrowers Loan account will be added to principal loan account and shall carry interest at the same rate specified in Clause 3.3 (a) above.

### **3.4 Computation of Interest**

The computation of interest or any other charges, which shall have accrued under this Agreement shall be made on daily basis using a 365 day factor.

### **3.5 Period of Disbursement of Loan**

The disbursement under the Loan shall be for a maximum period mentioned in the Arrangement Letter but not exceeding of 15 years.

### **3.6 When the Loan, interest etc. becomes due**

The loan together with interest and other charges due thereon shall become due and payable:-

- (a) on the death of the Borrower.
- (b) Where the Borrower is survived by spouse who is a co-borrower in this loan, on the death of the spouse.

- (c) On the sale or likely sale of residential property by the Borrower or surviving spouse.
- (d) Where the Borrower(s) permanently move(s) out of the residential property.

Explanation: A person is deemed to have permanently moved out of the residential property if he has not lived in the property for one year or do(es) not intend to live continuously in the property and conveys his intention to the Lender.

- (e) On Marriage/Remarriage/ Divorce of borrower(s)
- (f) On lease of the property
- (g) On default in payment of taxes etc.

(h) Any violation or non-compliance of the terms of this loan agreement by the Borrower either directly or indirectly or for any other reasons the Lender comes to a conclusion that the Loan account cannot be continued any further.

### **3.7 Recovery/ Settlement of Loan, Interest etc.**

The Loan together with interest and other charges due and payable under this Agreement shall be recovered from the sale proceeds of the residential property described in schedule -I and mortgaged as security for the Loan.

Provided that no sale of property shall be effected for a period of six months from the date when the Loan becomes due and payable to the Lender to enable the Borrower or his spouse or his heirs to repay/ pay the Loan Amounts without the sale of the property.

### **3.8 Appropriation of Payment/ Realisations**

Unless otherwise agreed to by the Lender, any amount paid by the Borrower(s) or legal heirs or realized from the sale of residential property shall be appropriated towards such dues in the order they appear herein below:

- (a) Cost, charges and other monies/ expenses;
- (b) Interest on cost, charges, expenses and other monies.
- (c) Interest payable in terms of this Loan Agreement;
- (d) Repayment of principal amount of the Loan; and
- (e) The excess, if any, shall be paid to the Borrower(s) / legal heirs of the Borrower(s).

The Lender agrees that if the value of the residential property mortgaged as security for the Loan falls below the value of the Outstanding Amount due under this

Agreement, the **Lender's claim shall be limited to the value of the residential property.**

### **3.9 Recourse against Residential Property**

The Lender agrees that for recovery of the Loan, the recourse **shall be against the Residential Property.**

## *ARTICLE - 4*

### **SECURITY**

#### **4.1 SECURITY**

The Loan, together with interest, compound interest, cost, charges and monies whatsoever stipulated in this Agreement shall be secured by an exclusive mortgage of the residential property described in the Schedule-I hereto. The lender shall have the right to decide, in its sole discretion, the type of mortgage including the manner of its creation and the Borrower shall create the mortgage accordingly.

The Borrower shall make out a good and marketable title, free from encumbrances to his residential property to the satisfaction of the Lender and comply with all such formalities as may be necessary or required for the said purpose now or hereafter any time during the pendency of the Loan.

## *ARTICLE- 5*

### *A. CONDITIONS PRECEDENT TO DISBURSEMENT OF THE LOAN*

5.1 The Obligation of the Lender to make disbursement of the Loan or its continuance under this Agreement shall be subject to the observance and performance by the Borrower of all its obligations and undertaking to be observed and performed under this Agreement and to the satisfaction, prior to making of such disbursement, or compliance by the Borrower of disbursement procedure as stipulated by the Lender, as also submission of information as stipulated by the Lender and of the compliance of the following further conditions:-

(a) Creation of Security:

The Borrower shall have created a security in favour of the Lender as stipulated in Article 4 hereof.

(b) Non-existence of event of default:

No event of default as defined in **Article 8.2** hereof shall have happened and continuing.

(c) Execution of all documents

The Borrower shall have executed and furnished all other agreement/s, document/s, undertaking/s, declaration/s etc. that may be required by the Lender.

(d) The Borrower shall have furnished a declaration to the effect that the Loan shall be used for the purpose specified in this Agreement and for no other purpose.

(e) Extra-ordinary Circumstances

No extra-ordinary or other circumstances shall have occurred which shall make it improbable to the Borrower to fulfil his obligation under this Agreement.

(f) Pending Legal Proceedings:

The Borrower shall have furnished a declaration to the effect that there is no action, suit proceedings, or investigation pending or to the knowledge of the Borrower threatened by or against the Borrower before any Court of Law or Government authority or any other competent authority which might have a material effect on the financial and other affairs of the Borrower or which might put into question the validity or performance of this Loan Agreement or any of its terms and conditions.

## **ARTICLE-6**

### **BORROWER COVENANTS**

#### **6.1 Particulars of Affirmative Covenants**

- **Utilization of Loan:** The Borrower shall utilize the entire loan for the purposes specified in this Loan Agreement and unless otherwise agreed to by the Lender in writing for no other purpose whatsoever.
- **Maintenance of Property:** The Borrower shall maintain the residential property in good and saleable condition and will make all necessary additions repairs and improvements thereto during the pendency of the Loan.
- **Compliance with rules etc. and payment of maintenance charges etc.:** The Borrower shall duly and punctually comply with all the terms and conditions for holding the residential property and the rules, regulations, by-laws etc., of the concerned co-operative Society, Association, company or other authority and pay such maintenance and other charges for the upkeep of the residential

property as also any other dues etc., as may be payable in respect of the residential property or the use thereof.

- **Insurance:** The Borrower at its own expense, insure and keep insured upto the replacement value thereof as approved by the Lender the residential property against fire, riot, earth quake and other calamity or hazards and shall duly pay all premia and sums payable for that purpose. **The insurance shall be taken in the joint name of the Borrower and the Lender.** Unless otherwise agreed by the Lender , the Borrower shall deposit and keep deposited with the Lender the insurance policy and the renewal thereof.
- The Borrower agrees that in the event of failure on his part to insure the property or to pay the premia, the Lender may, but shall not be obliged to, get the properties insured or pay the premia or other sum and the Borrower shall forthwith on receipt of a notice of demand from the Lender, reimburse them all sums so paid by it together with interest thereon at the same rate as specified in Clause 3.3 hereof and until such reimbursement by the Borrower, the same shall be debited to the Borrower(s)' Loan account and shall stand secured under the Security created in terms of Article 4 hereof.
- **Loss/Damage by uncovered risk:** The Borrower shall promptly inform the Lender of any material loss/damage to the residential property which the Borrower may suffer due to any force majeure or act of God, such as flood, tsunami, explosion, storm, tempest, cyclone, civil commotion, war risk and other calamities etc. against which the property may not have been insured.
- **Notify Additions, Alterations-** The Borrower agrees to notify and furnish details of any additions to or alterations in the residential property which might be proposed to be made during the pendency of the Loan.
- **The Lender's Right to Inspect-** The Borrower agrees that the Lender or any person authorized by it shall have free access to the residential property for the purpose of inspection at any time during the pendency of the Loan.
- **Information to be provided:** The Borrower agrees that he on his own accord, send to the Lender, list of his legal heirs and also information on any person residing with him every year from the date hereof. However, the Lender shall have the right to require the borrower to furnish such other information/ documents as the Lender deems necessary. **The Borrower also agrees to execute a declaration nominating any one or more legal heirs to deal with the estate of the Borrower.**
- **Will -** The Borrower agrees to make a Will and handover a copy of the same to the Lender stating therein that the Borrower has availed of the Loan from the Lender on the security of the residential property and has executed the Will to



enable the Lender to recover its Loan, interest and other dues after his death or on expiry of the term of the Agreement by the sale of the residential property

- **Life Certificate** - Borrower undertakes to submit a "Life Certificate" to the Lender in the format prescribed by it during the tenure of the Loan, on a yearly basis or as per the periodicity decided by the Lender.
- **Demise** - The borrowers undertake that the surviving borrower, in case of joint borrowing, shall inform the Bank about the demise of the deceased borrower and the provisions in his/her last Will, within a period of one month from the date of demise.
- **Change in address**- The Borrower shall inform the Lender in writing forthwith as regards any change in his address for service of notice etc.
- **Disclosure** - The Borrower authorizes the Lender as a consequence of signing this agreement, for sharing information about the Borrowers Loan and conduct of the Loan account with Credit Information Bureau of India Limited (CIBIL) or any other agency as per the RBI / Banking Regulator's guidelines.

## 6.2 Negative Covenants:

Unless the Lender expressly otherwise agrees:

- **Possession:** The Borrower shall not let out or otherwise howsoever part with the possession of the residential property or any part thereof.
- **Alienation:** The Borrower shall not sell, mortgage, lease, surrender or otherwise howsoever alienate the residential property or any part thereof or create third party interests in the said property.
- **Agreements and Arrangements:** The Borrower shall not enter into any Agreement or Arrangement with any person, institution or local or Government body for the use, occupation or disposal of the residential property or any part thereof during the pendency of the Loan.
- **Change of use:** The Borrower shall continue to use the property as his primary residence and not change residential use of the residential property
- **Merger:** The Borrower shall not amalgamate or merge the residential property with any other adjacent property nor shall he create any right of way or any other easement of the residential property
- **Testamentary Disposition:** The Borrower shall make testamentary disposition of the residential property subject to the mortgage created in favour of the Lender. The Borrower shall make a testamentary disposition of the Mortgaged Premises in favour of his or her spouse subject to the discharge of the mortgage

debt by such a legatee and a statement that the heirs shall not be entitled to challenge the validity of the mortgage as also the right of the Lender to enforce the mortgage in the event of the death of the Borrower unless the legal representative is willing to undertake the responsibility for discharging in full the amount of the Loan and accrued interest and other charges thereon.

## **ARTICLE-7**

### **BORROWER'S WARRANTIES**

7.1 The Borrower hereby warrants and undertakes to the Lender as follows:

- **Confirmation of loan application:** The Borrower confirms the accuracy of the information given in his loan application made to the Lender and any prior or subsequent information or explanation given to the Lender in this behalf and such information shall be deemed to form part of the representations and warranties on the basis of which the Lender has sanctioned the Loan.
- **Disclosure of material changes:** Subsequent to the said loan application there has been no material change which would affect the residential property or the grant of the loan as proposed in the loan application.
- **Charges and encumbrances:** The Borrower has absolute, clear and marketable title to the residential property and there are no mortgage, charges, lis pen dens or liens or other Encumbrances or any rights of way, light or water or other easements or right of support on the whole or any part of the residential property
- **Litigation:** The Borrower is not a party to any litigation of a material character and that the Borrower is not aware of any facts likely to give rise to such litigation or to material claims against the Borrower.
- **Disclosure of defects in property:** The Borrower is not aware of any document, judgment or legal process or other charges or any latent or patent defect affecting the title of the residential property or of any material defect in the residential property or his title which has remained undisclosed and/ or which may affect the Lender prejudicially.
- **Public schemes affecting the Borrower's property:** The residential property is not included in or affected by any of the scheme of Central/ State Government or of the improvement trust or any other public body or local authority or by any alignment, widening or construction of road under any scheme of the Central/ State Government or of any Corporation, Municipal committee, Gram Panchayat etc.
- **Infringement of local laws:** That no suit is pending in the Municipal Magistrate's Court or any other Court of Law in respect of the residential property nor has the Borrower been served with any Notice for infringing the provisions of the Municipal Act or any Act relating to local bodies or Gram Panchayat of Local Authorities or with any other process under any of these Acts.

- **Disclosure of facts:** That the Borrower shall disclose all facts relating to the residential property to the Lender.
- **Due payments of public and other demands:** The Borrower has paid all public demands such as Income Tax and all the other taxes and revenues payable to the Government of India or to the Government of any State or to any local authority and that at present there are no arrears of such taxes and revenue due and outstanding.
- It shall be the Borrower's obligation to keep himself acquainted with the rules of the Lender, herein referred to, in force from time to time.

## **ARTICLE-8**

### **REMEDIES OF THE LENDER**

#### **8.1 Foreclosure and Acceleration**

If one or more of the events specified in this Article ("events of default") shall have happened, then, the Lender by a notice in writing to the Borrower may declare the principal of and all interest accrued on the Loan under or in terms of this Agreement, as well as other charges and dues due for immediate payment and upon such declaration the same shall become due and payable forthwith and the security in relation to the Loan shall immediately become enforceable, notwithstanding anything to the contrary contained in this Agreement.

#### **8.2 Events of Default**

The following shall constitute an Event of Default:

- **Performance of Covenants:** Defaults shall have occurred in the performance of any of the covenants, conditions or agreements on the part of the Borrower under this Agreement in respect of the Loan and such default shall have continued over a period of **30 days after notice** thereof shall have been given by the Lender to the Borrower, or if the Borrower fails to inform the Lender of the happening of event of default.
- **Supply of misleading information:** Any information given by the Borrower in his loan application to the Lender for the Loan is found to be misleading or incorrect in any material respect or any warranty referred to in Article 7 hereof is found to be incorrect.
- **Inability to Pay Debts:** If the Borrower becomes bankrupt or insolvent.
- **Sale or Disposal of Security:** If the security for the Loan is sold, donated, abandoned disposed of, charged, encumbered or alienated by the Borrower.
- **Attachment or Distraint on Property:** If an attachment or distraint is levied on the residential property or any part thereof and/ or certificate

proceedings are taken or commenced for recovery of any dues from the Borrower.

- **Failure to furnish information/ documents:** If the Borrower fails to furnish information/ documents as required by the Lender.
- **Change in the Security:** If the Borrower effects changes in the residential property that affect the security of the Loan for the Lender or enters into a lease contract or mortgage or creates a third party interest therein including adding a new owner to the house's title, or taking out a new debt against the residential property.
- **Public Use:** If the government under statutory provisions seeks to acquire the residential property for public use or use of the government or condemns the use of the residential property for residential use for health or safety reasons.
- **Maintenance of Mortgage Premises:** If the Borrower fails to pay property taxes or maintain and repair the Mortgaged Premises or fails to insure the Mortgaged Premises thereto during the pendency of the Loan.
- **Continuous Stay** - If the borrower does not stay in Residential Property for a continuous period of **one year**.
- If the Borrower fails to pay property taxes or maintain and repair the residential property or fail(s) to keep the home insured, the Lender reserves the right to insist on repayment of loan by bringing the residential property to sale and utilizing the sale proceeds to meet the outstanding balance of principal, interest and charges.
- If the Borrower does not submit Life Certificate in the format specified by the Lender before end of the month of November each year during the currency of the Loan.
- Any other event such as Divorce/Remarriage by the Borrower which shall have an adverse impact on the loan settlement prospects.
- If the Borrower do(es) not accept the revised terms on revaluation of property and interest reset at the end of every 5 years.
- **Any other extra-ordinary circumstances**, if the loan account cannot be continued for any reason due to any compulsion of law, rules or Acts. etc.

### **8.3 Notice to the Lender on the Happening of an Event of Default**

If any event of default or any event which, after the notice or lapse of time or both would constitute an event of default shall have happened, the Borrower shall forthwith give the Lender notice thereof in writing specifying such event of default, or of such event.

#### **8.4 Communication with third party, etc.**

In the event of default the Lender shall be entitled to communicate, in any manner it may deem fit, to or with any person or persons with a view to receiving assistance of such person or persons in recovering the defaulted amounts. Also, representatives of the Lender shall be entitled to visit the property and/ or any place of work of the Borrower.

### **ARTICLE-9**

#### **WAIVER**

**Waiver not to impair the rights of the Lender:** No delay in exercising or omission to exercise, any right, power or remedy accruing to the Lender upon any default under this agreement, mortgage deed or any other agreement or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence by it in any default; nor shall the action or inaction of the Lender in respect of any default or any acquiescence by it in any default affect or impair any right, power or remedy of the Lender in respect of any other default.

### **ARTICLE-10**

#### **EFFECTIVE DATE OF AGREEMENT & RIGHT OF RESCISSION**

##### **10.1 Agreement to become effective from the date of Execution:**

The Agreement shall have become binding on the Borrower and the Lender on and from the date of execution hereof. It shall be in force till all the monies due and payable to the Lender under this Agreement are fully paid.

##### **10.2 Right of Rescission**

The Borrower may cancel the transaction any time before the expiry of **7 Business Days** from the date of execution of this Agreement (hereinafter referred to as the "right of rescission"). If the Loan has been disbursed, the entire Loan Amount will need to be repaid by the Borrower within **7 days** period with such interest as may be advised by the Lender.

### **ARTICLE-11**

#### **POWER OF ATTORNEY**

11.1 The Borrower irrevocably constitutes and appoints the Lender to be the Borrower's true and lawful attorney to do and execute for and in the name and on behalf of the Borrower and where the Borrower is more than one individual jointly and severally, all or any of the following acts, deeds and things, that is to say:

- To sign and register any document, deeds, form, contract, agreement, transfer, acceptance, receipt and any other document.
- To represent, appear, plead and compromise on behalf of the Borrower before any Govt. authority or local authority, court, tribunal, whatsoever.
- To demand, claim and receive any money payable to borrower from anybody else.
- To pay any tax, charges, premia, settle or compromise such disputes etc. whatsoever on behalf of the borrower.

- To open, close and operate any accounts with banks or institutions whatsoever.
- To attend and represent the Borrower before any authority or tribunal and for that purpose to sign execute and deliver all such documents and make all such declaration as may be necessary;
- Generally to act in the premises as fully and effectually with all intents and purposes and to do all things as are necessary and which the Borrower would do if personally present;
- For all and any of the purposes aforesaid to appoint a substitute or substitutes.

11.2 The Borrower hereby ratifies and confirms all the acts, things, deeds performed or to be performed by the Lender or its nominees or substitutes in pursuance of any of the aforesaid powers and the powers hereby conferred shall not be determined or affected by the fact of the Borrower acting personally or through another in the premises;

11.3 The powers vested in the Lender shall be **irrevocable** and subsists in favour of the Lender till all the dues of the Borrower to the Lender are fully satisfied.

11.4 The aforesaid powers under the Clause may be exercised by the Lender in its sole discretion but the exercise of the powers is not obligatory on the Lender.

## ARTICLE-12 GENERAL PROVISIONS

### 1.1 Variation

No variation of this Agreement shall be binding on any Party unless, and to the extent that such variation is recorded in a written document executed by such Party, but where any such document exists and is so signed such Party shall not allege that such document is not binding by virtue of an absence of consideration.

### 1.2 Severability

If any provision of this Agreement is invalid, unenforceable or prohibited by law, this Agreement shall be considered divisible as to such provision and such provision, shall be inoperative and shall not be part of the consideration moving from either Party hereto to the other, and the remainder of this Agreement shall be valid, binding and of like effect as though such provision was not included herein.

### 1.3 Force Majeure

Without prejudice to the provisions of this Agreement, the obligations of any Party under this Agreement shall be suspended while any such Party (the "Affected Party") is prevented or hindered from complying therewith by any cause beyond the reasonable control of the Affected Party. In such event, the Affected Party shall give written notice of suspension as soon as reasonably possible to the other parties (for the time being) to this Agreement stating the date and extent of such suspension and the cause and likely duration thereof. If within 48 (forty eight) hours from the receipt of such notice, a Party receiving the notice requests of a meeting of the Parties (for the time being) to this Agreement, then such Parties shall forthwith and in any event within 14 (fourteen) Business Days meet and discuss the nature and likely duration of the circumstances and the extent to which performance of the obligations of the

Affected party shall be prevented or hindered and what action may be taken to ameliorate or remedy the position. Such Party shall take all reasonable steps within 30 (thirty) Business Days of the *force majeure* event unless the parties agree to an extension of the said period to ameliorate or remedy the position and shall communicate the same to the other Party. Without prejudice to the foregoing generality the Affected Party shall not unreasonably withhold its consent to any action suggested by any of such other Parties. For the purposes of this Section, a *force majeure* event shall include:

- a) acts of God, including without limitation fire, storms, floods, earthquake or lightning.
- b) war, hostilities, terrorist acts, riots, civil commotion or disturbances change in governmental laws, orders or regulations adversely affecting or preventing due performance by either party of its duties, obligations or responsibilities under this Deed, embargoes, actions by a government, Central or State in India or overseas, or any agency thereof, sabotage, explosions;
- c) strikes, lockouts or other concerted industrial action; or
- d) any other acts, occurrences, events or circumstances beyond the reasonable control of the Party affected.

#### 1.4 Notices

Any notice or other communications to be given by one Party to any other Party under, or in connection with, this Agreement shall be made in writing and signed by or on behalf of the Party giving it. It shall be served by letter of facsimile transmission (save or otherwise provided herein) and shall be deemed to be duly given or made when delivered (in case of personal delivery), at the time of transmission (in the case of facsimile transmission, provided that the sender has received a receipt indicating proper transmission and a hard copy of such notice or communication is forthwith sent by prepaid post to the relevant address set out below) or five days after being dispatched in post, postage prepaid, by the most efficient form of mail available and by registered mail if available (in the case of a letter) to such party at its address or facsimile number specified below, or such other address or facsimile number as such Party may hereafter specify for such purpose to the other Parties hereto by notice in writing.

The Parties understand that some confidential information may be transmitted over electronic mail and there are risks associated with the use of electronic mail, which can include the risk of interception, breach of confidentiality, alteration, loss or a delay in transmission, and that information sent by this means may be susceptible to forgery or distortion and agree to accept the risks of distribution by electronic mail.

\_\_\_\_\_ (Lender)

Address: \_\_\_\_\_

Fax:

E-mail

Attn:

\_\_\_\_\_ (Borrower)

Address: \_\_\_\_\_

Fax:

E-mail

Attn:

### **1.5 Indemnification**

The Borrower hereto indemnifies and agrees to hold the Lender harmless from and against all liabilities, obligations, losses, expenses, costs, claims and damages (including all legal costs), whether direct or indirect, asserted against, imposed upon or incurred by the Lender by reason of or resulting from any breach or inaccuracy of any representation, warranty or covenant set forth in this Agreement and / or any breach of any provisions of this Agreement by the Borrower. The indemnification rights under this clause are independent of, and in addition to, such rights and remedies, the Lender may have at law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

### **SCHEDULE-I**

#### **(Description of the Residential Property)**

All that piece or parcel of land and hereditaments and premises described as under -

<b>Name of the owner as per the Title deed</b>	
<b>Description of property</b>	
Flat / House No.	
Name of the building	
Plot No.	
Street Name	
Name of the area	
City	
PIN Code	
House Tax Assessment No.	
Electricity consumer No. /Connection details	
Carpet area, Sq. Ft	
Built up area, Sq. Ft	
Super Built-up area, Sq. Ft	
<b>Bounded by</b>	
On the East	
On the West	
On the North	
On the South	

IN WITNESS WHEREOF the Borrower has executed this Agreement on the day, month and year first hereinabove written and the Lender have caused the same day and executed by the hand of Shri. \_\_\_\_\_ its \_\_\_\_\_ and authorized official.

(Name of the Bank official)

(Designation)

SIGNED AND DELIVERED BY

Shri \_\_\_\_\_



the within named **Borrower**

SIGNED AND DELIVERED BY

Within named **Lender** by the hand of

Shri \_\_\_\_\_ its \_\_\_\_\_ and authorized official

(Name of the Bank Official) (Designation).

**WILL (DRAFT)**

This WILL is executed on ..... (date).

I ....., son of .....

aged around ....., presently residing at .....

**IX. execute this WILL on this date in a sound and disposing state of mind, free from coercion with an intention to settle my properties and liabilities after my life time.**

I am now presently .....years old and my wife is living with me and she is ..... years old. I am having ..... children. All my children are married and well settled (to be modified, if necessary)

I am having a house property at .....

I am having the possession and enjoyment of the same and also paying the taxes in my own name. I am presently residing in said house. I have got clear, absolute and marketable title to the said property and the same is free from mortgage/ charge/ lien.

I intend to secure a loan from State Bank Of India by way of the Reverse Mortgage of the house property for my benefit and for the benefit of my wife. The property will devolve on my wife with absolute rights after my lifetime subject to the charge of Reverse Mortgage in favour of the Bank.

This is my last WILL and Testament. I am executing the same in sound and disposing state of mind free from coercion and undue influence. I know the contents of the WILL and the same is dictated by me.

This WILL will come into force after my lifetime.

The contents of the WILL have been read over to me and the witnesses thereof. I have hereunto set and subscribe my hand and signature this ..... day of .....20....

Signed by the above-named testator as his last WILL and Testament in our presence, all being present at the same time. Thereafter at his request and in his presence, we subscribe our respective name.

(SIGNATURE OF THE TESTATOR)

WITNESSES:

1) (Sd/-)

Address

2) (Sd/-)

Address

#### Annexure IV

(Format of letter to be given by the borrower for advising list of legal heirs and list of people staying with him/her/them)

To :  
State Bank of India  
\_\_\_\_\_ Branch

From - Name(s)  
Complete Address -

Date -

Dear Sir/Madam,

#### **SBI Reverse Mortgage Loan** **List of Legal Heirs & Persons Staying With Me/Us**

With reference to SBI Reverse Mortgage Loan Agreement executed by me/us on \_\_\_\_\_(date), I /We furnish list of legal heirs and list of persons staying with me/us.

	Legal heirs of Shri./Smt (Borrower 1)	Legal heirs of Shri/Smt. (Borrower 2)
1		
2		
3		
4		
5		
Out of the legal heirs mentioned above, the Residential Property mortgaged to the Bank I nominate the following legal heirs to deal with my estate for the purpose of settlement of loan as described in Article 3-para 3.7 and para 3.8 of the aforesaid agreement.		
1		
2		
3		
4		
5		
Signature of the borrower		

2. List of persons currently staying with me/us is as under -

Sr.No.	Name	Age	Gender	Relation with	
				Borrower1	Borrower 2

1					
2					
3					
4					
5					

Yours faithfully,

**Borrower 1**

**Borrower 2**

**SBI Reverse Mortgage Loan****Life Certificate**

(To be submitted in November every year during the currency of the loan.)

To  
The Branch Head  
State Bank of India

Ref. : RML/LC

Date :

Name(s) of the borrower(s) : 1. \_\_\_\_\_

2. \_\_\_\_\_

RML Account No. : \_\_\_\_\_

I/We, \_\_\_\_\_, having borrowed

[name(s) of the borrowers]

money from State Bank of India under Reverse Mortgage Loan (RML) scheme do hereby state on oath as under -

- i. that I/We confirm that the **debit balance** of Rs. \_\_\_\_\_ outstanding as on \_\_\_\_\_ in our RML account mentioned above correctly reflects the principal amount borrowed by me/us from time to time under RML scheme together with interest applied at the agreed rate and frequency by the Bank, and other charges debited by the Bank which are legitimate.
- ii. that there is no change in my/our **marital status** as advised to the Bank while availing loan under RML or since the date of submission of previous Annual Certificate.
- iii. \*that one of the borrowers Shri./Smt. \_\_\_\_\_ died on \_\_\_\_\_. Death Certificate issued by \_\_\_\_\_ on \_\_\_\_\_ is enclosed herewith.
  - a. (\* strike off if not required)
- iv. that I/We have not changed our respective "**Wills**" which we have submitted to the Bank while availing loan.
- v. that I/We continue to use the house mortgaged to the Bank for availing Reverse Mortgage Loan as my/our **primary residence**, and that I/We have not given the house or part thereof on rent or taken any such action which will jeopardize conditions under which the Bank accepted mortgage of the said property as security for the loan. Copies of latest receipt of Property Tax / /Electricity Bill paid by me/us evidencing my/our stay in the house is enclosed herewith for your scrutiny and record.
- vi. I/We wish to continue the loan.

Yours faithfully,

Borrower(s) to affix

latest photographs and  
sign across.

(Affix Revenue Stamp  
in accordance with the  
stamp act and sign across  
the stamp)

Signature(s) of the Borrowers(s)  
Place -

**Certificate**

This is to certify that the above named person(s) \_\_\_\_\_,  
\_\_\_\_\_ have signed in my presence. I know the  
person(s) / I have identified the person(s) to my satisfaction with the help of  
\_\_\_\_\_(mention name of the document and enclose certified  
photocopy of the same, if the document is other than that on the Bank's records.)

**Authorised Official**

**Name-**

**Place-**

**Date-**

(Format of letter to be obtained from spouse of Reverse Mortgage Loan Borrower in cases where the spouse does not join as co-borrower)

To :

Branch Manager  
State Bank of India  
\_\_\_\_\_ Branch

Date -

Dear Sir/Madam,

**SBI Reverse Mortgage Loan - Shri./Smt.-\_\_\_\_\_ (Borrower)**

**Rs.\_\_\_\_\_**

I, Shri./Smt. (full name) \_\_\_\_\_, age about \_\_\_\_\_ years submit as under that -

- a) Shri./Smt. \_\_\_\_\_ (Borrower) who has approached State Bank of India for availing loan of Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_) under SBI Reverse Mortgage Loan scheme (SBI RML) is my lawful husband/ wife.\*
- b) I have full knowledge of the fact that our present residence (residential property), which is acquired and solely owned by my husband/ wife\* mentioned above is required to be mortgaged to State Bank of India, for securing the loan under SBI RML.
- c) I have full knowledge of the fact that the SBI RML will become due and payable in the one of the following events -
  - i)* on the death of the Borrower.
  - ii)* On the sale or likely sale of residential property by the Borrower .
  - iii)* Where the Borrower(s) permanently move(s) out of the residential property.
  - iv)* On Marriage/Remarriage/ Divorce of borrower(s)
  - v)* On lease of the property
  - vi)* On default in payment of taxes etc.

*vii)* Any violation or non-compliance of the terms of loan agreement by the Borrower either directly or indirectly or for any other reasons the Lender i.e. State Bank of India comes to a conclusion that the Loan account cannot be continued any further.

- d) I have full knowledge of the fact that the outstanding loan amount will be recovered by the Bank from the sale proceeds of the residential property.
- e) I shall be required to vacate the residential property in the event of recovery of SBI RML by the Bank from sale proceeds of the residential property.

2. With full knowledge of the terms and conditions governing SBI RML, I am in agreement with my spouse on the need and necessity of borrowing under SBI RML. I assure the Bank that I shall vacate the residential property immediately on receipt of notice from the Bank for doing so for honouring the terms and conditions of SBI RML agreed between my spouse and the Bank.

Yours faithfully,

(Signature)

Place :

Date :

Full Name :

Full Residential address (must be the same as that of residential property offered as security for SBI RML)

Please paste recent photograph of both the husband and wife taken together showing their full faces.

Borrower and spouse to sign across the photograph.



Identification of the spouse by the borrower and one witnesses acceptable to the Bank.

I identify Shri./Smt \_\_\_\_\_ who has signed this letter, as husband/wife of Shri./Smt. \_\_\_\_\_ who wishes to avail SBI Reverse Mortgage Loan.

(i) Signature, name , age, address of witness

(ii) Signature of borrower.

Place -

Date -

\*Delete whichever is not applicable.

## **SBI GREEN HOME LOAN**

Bank has adopted a Green Banking Policy with an objective of contributing towards the fight against the adverse climate change. One of the initiatives approved by the Board for this purpose is incentivizing borrowers who go in for Green Projects, i.e. those projects which reduce Carbon Emissions and promote Renewable Energy. “Green Housing” or “Green Home” is one of the types of projects identified for this purpose.

2. “Green Building is the practice of increasing the efficiency of buildings and their use of energy, water and materials and reducing building impacts on human health and environment, through better site location, design, construction, operation, maintenance and removal- the complete building life cycle. An effective Green Building can lead to (i) reduced operating costs by increasing productivity and using less energy and water, (ii) improved public and occupant health due to improved indoor air quality, and (iii) reduced environmental impacts.”

3. Green buildings are certified by rating agencies, such as the Leadership in Energy and Environmental Design (LEED) rating system developed by the U.S. Green Building Council, Green Globes from Green Building Initiative, LEED INDIA rating, India Green Building Council (IGBC), and TERI-GRIHA from TERI-BCSD India. The rating is generally based on five categories of performance viz. (i) Sustainable Sites, (ii) Energy and Atmosphere, (iii) Water Efficiency, (iv) Indoor Environmental Quality, (v) Materials and Resources.

4. As presently we are the only Bank in the country supporting the cause of Green Buildings, we have got an opportunity to get first mover advantage in this elite business space by appropriate positioning of our offer. For this purpose “SBI Green Home Loan” has been given a distinguishing identity of its own in the form of a new product name, though strictly speaking, there is no major change in the features of the existing Home Loan products except 5% concession in margin, 0.25% concession in interest rate and waiver of processing fees.

### ***5. Benefits of Green Buildings are furnished as under:***

#### **Benefits of Green Homes**

Green Homes can have tremendous benefits, both tangible and intangible. The immediate and most tangible benefit is the reduction in water and operating energy costs right from day one, during the entire life cycle of the building. The energy savings could range from 20 – 30 % and water savings around 30 – 50%. Green Homes Rating tool can also enhance marketability for the project. Intangible benefits of Green Homes include enhanced air quality, excellent day lighting, health & wellbeing of the occupants, safety benefits and conservation of scarce national resources.

#### **National Priorities Addressed in the Rating System**

The Green Homes Rating System addresses the most important National priorities which include water conservation, handling of consumer wastes, energy conservation, conservation of resources like wood and lesser dependence on usage of virgin materials.

#### **Water Efficiency:**

Most of the Asian countries are water stressed and in countries like India the water table has reduced drastically over the last decade. Green Homes encourages use of water in a self - sustainable manner through reducing, recycling and reusing strategies. By adopting this rating programme green homes can save potable water to an extent of 30 – 50%.

**Handling of Consumer Waste:**

Handling of wastes in residential buildings is extremely difficult to handle as most of the waste generated is not segregated at the time of disposal and has a high probability of going to landfills. This would be a challenge to the municipalities which needs to be addressed. The IGBC Green Homes rating programme encourages waste management through segregation, storage and effective disposal.

**Energy Efficiency:**

The residential sector is a large consumer of electrical energy. IGBC Green Homes can reduce energy consumption through energy efficient lighting, air conditioning systems, motors, pumps etc., The rating system encourages green homes which select and use BEE labeled equipment and appliances. The energy savings that can be realised by adopting this rating programme can be to the tune of 20 – 30%.

**Reduced Use of Fossil Fuels:**

Fossil fuel is a slowly depleting resource, world over. The use of fossil fuel for transportation has been a major source of pollution. The rating system encourages the use of alternate fuels for transportation and captive power generation.

**Reduced Dependency on Virgin Materials:**

The rating system encourages projects to use recycled & reused material and discourages the use of virgin wood thereby addressing environmental impacts associated with extraction and processing of virgin materials. Reduced usage of virgin wood is also encouraged.

**Health and Well-being of Occupants:**

Health and well-being of occupants is the most important aspect of Green Homes. IGBC Green Homes Rating System ensures minimum performance on day lighting and ventilation aspects which are critical in a home. The rating system recognises measures to minimise the indoor air pollutants.

\*\*\*\*\*

## CRE HOME LOANS

### RBI Guidelines for CRE Exposure

Reserve Bank of India has issued guidelines on Classification of Exposures as Commercial Real Estate (CRE) Exposure vide their Circular dated 9<sup>th</sup> September, 2009.

Essence of RBI guidelines pertinent to Home Loans is as under: -

- i. Definition of CRE Exposures has been reviewed by RBI with a view to switching over to Basel II Framework which has specific provisions relating to CRE exposures,
- ii. Banks should determine whether an exposure is CRE or not on the basis of principles and the examples illustrated in the circular, and should record a reasoned note justifying the classification.
- iii. As per Basel-II definition of Income Producing Real Estate (IPRE), essential feature of CRE would be (a) the funding will result in creation/acquisition of real estate such as multifamily residential buildings, where the prospects for repayment would depend primarily (i.e. more than 50% of cash flows) on the cash flows like lease or rental payments generated by the asset, (b) in the event of default recovery will be through sale of the funded asset.
- iv. Bank finance can also be granted to individuals for purchase of plot, provided a declaration is obtained from the borrower that he intends to construct a house on the said plot, within such period as may be laid down by the banks themselves.
- v. Bank's advances to Housing Finance Companies (HFCs), which are mostly leading to individuals for residential housing as per the norms fixed by National Housing bank (NHB) and also fulfill the eligibility criteria to draw refinance from NHB, would not be treated as CRE Exposure.
- vi. If an exposure gets classified simultaneously into more than one category, capital adequacy would be determined on the basis of largest risk weights applicable among all the categories.
- vii. Illustrative examples of exposures which should be classified as CRE - **Loans for multiple houses intended to be rented out** -  
“The housing loans extended in cases where houses are rented out need to be treated differently. As per Basel II Framework, loans secured by a single or small number of condominium or co-operative residential housing units in a single building or complex also fall within the scope of the residential mortgage category and national supervisors may set limits on the maximum number of housing units per exposure. Therefore, such loans need not necessarily be classified as CRE Exposures. However, if the total number of such units is more than two, the exposure for the third unit onwards may be treated as CRE Exposures as the borrower may be renting these housing units and the rental income would be the primary source of repayment.”
- viii. CRE exposures to the extent secured by Commercial Real Estate would attract a risk weight of 100%.
- ix. Provision on standard CRE to be made at 1% instead of 0.40% for Home Loans (RBI Review of Monetary Policy)

2. In the light of above guidelines it has been decided to classify Home Loans under the following categories as CRE Home Loans –

(i) If an individual owns two or more houses, singly or jointly then the exposure for the third house onwards/purchase of plot will be treated as CRE Home Loans.

(ii) If the third house which is proposed to be funded through Home Loan is intended to be purchased by the borrower for upgrading from a small house to a bigger house or vice-versa, moving to a more convenient locality/place/city etc. and he/she intends to sell one of the existing houses within 6 months after getting possession of the third house, exposure to third house may not be treated as CRE exposure, provided the borrower submits an Affidavit to that effect. In case of non-fulfillment of this condition by the borrower, Home Loan will carry the rate applicable for CRE Home Loan from such due date till fulfillment of the stipulated condition.

(iii) Loan for extension of the present house will be treated as CRE Home Loan if more than 50% of the monthly installment of the loan is expected to be raised through the rent receivable from the extended portion. Present stipulation in the Home Loan policy that “while computing maximum eligible loan amount, expected rent accruals from proposed house/flat being let out (net of taxes, cess etc.) may be reckoned subject to maximum amount equivalent to the Net Monthly Income of the borrowers” shall continue to be in force.

(iv) If funding of third house merits classification under non-CRE exposure for reasons other than those mentioned above, Circle CGM will have discretion to permit such classification on the basis of recorded justification which does not violate the spirit of RBI guidelines mentioned above and subsequent modifications, if any, in the guidelines issued by RBI.

3. In view of the higher risk weight and provisioning for standard CRE Home Loans, it has been decided to load **0.25% additional interest for CRE Home Loans**. This will be in line with RBI’s intention of building a cost differential between CRE Home Loans and normal non-CRE Home Loans. This differential will be added to the card rates. Differential will be reviewed from time to time depending on the changes in RBI policy affecting CRE exposure. We are presently offering SBI My Home interest rates upto 31<sup>st</sup> March 2010. Additional interest will be loaded on loans under these schemes after completion of special fixed interest rate period. (e.g. SBI Advantage Home Loan – CRE will carry interest rate of 8% (Fixed) p.a. during first 12 months, 9% (Fixed) p.a. during next 24 months and thereafter floating rate 2.75% above Base Rate.

**4. CRE Home Loans will not be offered under overdraft facility i.e. SBI Maxgain irrespective of the loan amount.**

**5. CRE Home Loans should be opened in CBS under appropriate product codes so as to facilitate segregation of CRE exposure in Home Loans from non-CRE Home Loans.**

## INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP)

Ministry of Housing and Urban Poverty Alleviation (MHUPA) Govt. of India has designed an interest subsidy scheme as an instrument of addressing the housing needs of the Economically Weaker Section (EWS) and Low Income Group (LIG) through Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

2. Salient features of the scheme are as under :

Purpose	To provide home loan with Central Government subsidy to <b>EWS/LIG</b> persons for acquisition/construction of house.				
Eligibility for application under the scheme	(i) Beneficiary <i>should not own a house</i> in his/her name or in the name of his/her spouse or any dependent child. Beneficiaries who own land in any urban area but do not have any pucca house in their name or in the name of their spouse or any dependent child will also be covered under the scheme.				
	(ii) Important scheme parameters for qualification under EWS and LIG should be as under :				
	<b>Income Group</b>	<b>Average monthly household income@</b>	<b>Minimum size of the house</b>	<b>Maximum permissible subsidized loan amount*</b>	<b>Maximum loan amount eligible for subsidy</b>
	EWS	Upto Rs.5,000	25 Sq.mts.	Rs.1 Lac	Rs.1 Lac
	LIG	Rs.5,001 to Rs.10,000	40 Sq.mts.	Rs.1.60 Lac	Rs.1 Lac
	*Additional loans, if needed would be at unsubsidized rates. @Average monthly household income will be subject to revision by the Steering Committee of the Scheme from time to time.				
	(ii) Construction of new house should be ideally completed within a maximum of 12 months from the date of first disbursement whenever the beneficiary is taking up the construction himself.				
Identification of the beneficiaries	Beneficiaries will be identified by the Urban Local Bodies (ULBs) or the Local Nodal Agency (LNA) identified by the respective State Governments for the purpose.				
Loan Term	Maximum permissible loan term will be 20 years. Loan term will be inclusive of moratorium period, if any.				
Interest application	Interest will be applied to the borrower's account at the bank's rate of interest on daily outstanding loan balance at monthly rests.				
Repayment	Borrower will repay the loan by way of Equated Monthly Installments (EMIs). <i>EMIs payable by the borrower will be calculated after reducing the Central Government subsidy which is receivable upfront, from the maximum principal amount.</i> Example : <i>Assumptions : Loan Term =20 years, Interest rate =9% p.a., Net Household Monthly Income=Rs.3000/-</i> EMI per Rs. Lac @9% for 20 years =Rs.900				

	<p>Maximum permissible EMI/NMI ratio for this income group=40%</p> <p>Maximum permissible EMI =40% of NMI=Rs.3000*40%=Rs.1,200/-</p> <p>Permissible loan amount=(Rs.1,200/Rs.900) Lac=1.33 Lac</p> <p>Maximum eligible loan amount for subsidy=Rs.1 Lac.</p> <p>Interest subsidy = Net Present Value interest subsidy @5% on Rs.1 Lac for 20 years discounted @9%=Rs.35,722</p> <p>Principle amount considered for fixing EMI for the customer = (Original Principal amount less Interest subsidy received upfront)= Rs.1.33 Lac - Rs.35,722=Rs.97,278.</p> <p>EMI @9% interest for 20 years for the subsidy adjusted principal amount=Rs.875</p>
Prepayment	Borrower will be free to prepay loan. Prepayment or pre-closure charges will not be levied for any reason whatsoever.
Primary security	Mortgage of the dwelling unit.
Collateral security	Collateral security or Third Party Guarantee will not be obtained for loans upto and inclusive of Rs.1 Lac.
Subsidy	<p>Loans under this scheme will be eligible for Central Government subsidy of 5% on the interest charged by the bank on the admissible loan amount over the full period of the loan.</p> <p>Subsidy will be released to the bank by the Central Government through the Nodal Agencies viz. National Housing Bank and HUDCO. The Bank has entered into MoU with the National Housing Bank (NHB) and HUDCO for this purpose. The following Circles may submit the subsidy claims to the NHB office at the LHO centre : Mumbai, Hyderabad, Chennai, Bangalore, Kolkata, Ahmedabad. The rest of the Circles may claim subsidy through HUDCO.</p> <p>Circles will be required to identify a Nodal Officer at LHO for this purpose to claim subsidy for all the loan disbursements under the scheme on a monthly basis from the Nodal Agency in the standard formats prescribed for this purpose. If loan is partially disbursed, then the Circles will claim the subsidy in proportion to the amount disbursed. Subsidy claims will be submitted by the Circles in the standard formats prescribed by the Nodal Agency. Circles will credit the subsidy amount received from the Nodal Agency to the loan accounts of the respective borrowers. The credit of subsidy to the account is expected to take place within 90 days of the disbursement.</p> <p>Net present value (NPV) of the subsidy will be calculated on the basis of notional discount rate advised by the Central Government, presently 9% p.a., for the full remaining loan term.</p>

	Excel based calculator for calculation of subsidy has been prepared as per the subsidy calculation model provided by NHB. It is available on the PBBU website in downloadable form for enabling the operating units to calculate and claim subsidy.
Other conditions	Other eligibility criteria e.g. Age, No. of borrowers, EMI/NMI ratio, Processing fee, Interest rate etc. would be the same as in case of Home Loan scheme of the bank under which the loan is sanctioned. Further the ministry has advised the lending institutions to exercise prudence while processing claims under the scheme, and to accept Income Certificate only from the revenue authority / competent authority authorized by the State Government.
<b>Sunset clause</b>	<b>The scheme will be open for sanction upto and including 31<sup>st</sup> March 2012.</b>
Website address for further details	Details of the scheme may be downloaded from the website of the National Housing Bank - <a href="http://nhb.org.in">http://nhb.org.in</a> in the link for URBAN HOUSING-Interest Subsidy Scheme. Addresses and contact details of regional offices of NHB are also available on the NHB website. Addresses of HUDCO offices may be looked up on their website <a href="http://www.hudco.org">http://www.hudco.org</a>

3. The Parliamentary Standing Committee on Urban Development have expressed displeasure on the abysmally low utilization of budgetary allocation of Rs.125 Crores for the scheme in the FY 2009-10. The Government of India has allocated a budget of Rs.200 Crores for the FY 2010-11 towards subsidy amount under ISHUP. Ministry of Finance, Government of India will therefore be monitoring monthly progress of utilization of subsidy at the Whole Bank level. Circles are advised to monitor the progress under ISHUP at monthly P Review meetings at RBO, Network and Circle levels, and report the same to the Corporate Centre in the format enclosed at *Annexure A*.

4. As per the action points that emerged during the review of meeting held by MHUPA on April 16<sup>th</sup>, 2010, SLBC meetings are required to be held exclusively for ISHUP and assigning targets in the states of Himachal Pradesh, Gujrat, Orissa, Maharashtra and Chhattisgarh.

5. In Circles where the Bank is the convener of the SLBC, arrangements may be made to discuss and disseminate the details of the ISHUP Scheme in detail at the SLBC meetings. Representatives of HFCs/MFIs operating in the area may be invited to the meeting and representation of ULBs may be ensured. A presentation on the Scheme is placed on the PBBU website under Assets-Home Loans.



**Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)  
Monthly Progress Report.**

**(Circles should fax or email the report DGM Home Loans, PBBU, Corporate Centre, by 10<sup>th</sup> day of the following month.)**

- (i) Report for the month of : \_\_\_\_\_
- (ii) Name of the Circle : \_\_\_\_\_
- (iii) Name(s) of the States serviced by the Circle :
- (iv) Whether the Bank is the convener of the State Level Bankers' Committee :  
Yes/No
- (v) Brief write up on presentations/ discussions on the scheme with State Governments/Urban Local Bodies etc, Projects in the pipeline, prospects during the year :

**(vi) Business data :**

Business booked under ISHUP YTD		Business booked under ISHUP during the month	
Number of loans	Limits sanctioned (Rs. Lacs)	Number of loans	Limits sanctioned (Rs. Lacs)

Chief General Manager

SBI Easy Home Loan (July 2010)

SBI Advantage Home Loan (July 2010)

It has been decided to continue with the same effective interest rate structure for proposals sanctioned under SBI Easy Home Loan and SBI Advantage Home Loan respectively from 1<sup>st</sup> October 2010 to 31<sup>st</sup> December 2010. Interest rates linked to the Base Rate (which is 7.50% p.a. as on date) will change in tandem with the changes in the Bank's Base Rate.

**a) SBI Easy Home Loan (July 2010) (Base Rate =7.50% p.a.)**

	<b>Interest rate for proposals sanctioned between 1<sup>st</sup> October 2010 and 31<sup>st</sup> December 2010.</b>
Loan amount	Maximum Rs.50 Lacs
Facility Type	OD (MaxGain) or TL
Interest during first year	8% p.a.(Fixed)
2 <sup>nd</sup> & 3 <sup>rd</sup> year	9% p.a.(Fixed)
<b>Floating</b> interest rate after 3 <sup>rd</sup> year	1.75% above Base Rate, present effective rate being 9.25% p.a.
<b>Fixed</b> interest rate after 3 <sup>rd</sup> year	3.50% above the Base Rate prevailing at the time of reset, with a reset frequency of 5 years.

**b) SBI Advantage Home Loan (July 2010)**

	<b>Interest rate for proposals sanctioned between 1<sup>st</sup> October 2010 and 31<sup>st</sup> December 2010.</b>
Loan amount	Above Rs.50 Lacs
Facility Type	TL
Interest during first year	8% p.a. (Fixed)
2 <sup>nd</sup> & 3 <sup>rd</sup> year	9.00% p.a. (Fixed)
<b>Floating</b> interest rate after 3 <sup>rd</sup> year	2.25% above the Base Rate, the present effective rate being 9.75% p.a.
<b>Fixed</b> interest rate after 3 <sup>rd</sup> year	3.50% above the Base Rate prevailing at the time of reset, with a reset frequency of 5 years.

- (i) Discretionary concession or non-discretionary special concessions shall not be available during first 36 months for loans under SBI Easy Home Loan and SBI Advantage Home Loan schemes.
- (ii) Concession under discretion of the Circle authorities shall not be available on interest rates applicable 37<sup>th</sup> month onwards under SBI Easy Home Loan scheme. General Manager (Network) shall have discretionary power to give concession of 0.25% in the interest rates applicable under **SBI Advantage Home Loan Scheme**. The discretion may be used by the GM (Network) on a case to case basis. The discretion may also be used on a wholesale basis during special

events like Property Shows, Special Promotional Events hosted by the Network, Market Specific offers etc. upto 31<sup>st</sup> December 2010.

- (iii) Following non-discretionary special concessions shall be available after 37<sup>th</sup> month onwards:-
- (a) 0.10% if salary\* account is maintained with us
  - (b) 0.25% under SBI Green Home Loan
  - (c) 0.10% under Plus\* schemes to Govt. employees and teachers.
  - (d) 0.10% for rural housing under SBI Gram Niwas scheme, SBI Sahayog Niwas for SHGs.
  - (e) concessions under Corporate or builder tie-ups subject to a ceiling of 0.25%
  - (f) Premium of 0.25% shall be charged on interest applicable from 37<sup>th</sup> month on CRE Home Loans sanctioned under the scheme.
- \*Note - Concessions under Plus schemes are not allowed to run concurrently with the concessions for maintaining Salary Account.*

There will be a **ceiling of 0.25%** beyond which net concession under various heads including Salary Account, Green Housing, Plus Schemes, Rural Housing, Builder Tie-ups, Corporate Salary Package, shall not be allowed. However ceiling on the concessions under Corporate Tie-ups will be as per the advises issued by the Corporate & Institutional Tie-ups Department at the Corporate Centre from time to time.

- (iii) Provision of 'Risk Based Concessions and Premium' in interest rates shall not be applicable.
- (iv) Eligible loan amount will be calculated on the basis of highest EMI amount payable on the loan by the customer during the loan term.

**3. Revised rates may be made applicable to the proposals in the pipeline, which are not yet sanctioned or disbursed.**

4. "Home Loan Arrangement Letter" and "Home Loan Agreement", placed at Annexure A and B respectively, has been suitably modified to incorporate linkage of interest rate with the Base Rate.

**Arrangement Letter - SBI Easy/Advantage Home Loan**

STATE BANK OF INDIA

To

.....BRANCH

Shri/Smt./Kum.

.....

1).....

2).....

Reference No. :

Date :

Dear Sir/Madam,

**SBI Easy /Advantage Home Loan****HOME LOAN: Rs. \_\_\_\_\_**

We are pleased to advise that on the basis of documents submitted by you and the information furnished by you in your application for Home Loan dated ....., we have decided to sanction a Home Loan limit of Rs.....

(Rupees.....only) to you, as per the undernoted break-up -

(i) Home Loan - Rs. \_\_\_\_\_

(ii) Funding of Home Loan Insurance Cover (Optional) -

Rs. \_\_\_\_\_

Total - Rs.

on the following terms and conditions -

2. **Purpose -**

(i) The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land/purchase of consumer durables/furnishings/takeover of Home Loan (hereinafter referred to as the 'project') as described below -

.....

(ii) Premium of Home Loan Insurance cover (Optional) - Rs. \_\_\_\_\_

3. **Margin:** % of the total cost of the project.

4. **Interest:** Interest will be charged and applied at the rate mentioned below *on daily outstanding debit balance in your account at monthly rests -*

**Rate -**

f) Interest rate *during the first year* (till anniversary date of the customer loan) *from the date of disbursement* will be \_\_\_\_ p.a. (Fixed). Loan period will be calculated from the date of first disbursement.

g) Interest rate *during next two years* will be \_\_\_\_ p.a. (Fixed)

h) Interest rate after completion of *three years* will be as under -

**viii) Floating Rate of Interest\* (\*Strike off if not applicable): -**

Interest on the loan will be charged at \_\_\_\_% (here-in after referred to as **spread**) above the Base Rate. The Bank shall at any time, and from time to time be entitled to vary the Spread and the Base Rate at its discretion. Depending on variation of the Base Rate and the Spread, the effective

rate of interest shall vary periodically and you shall be liable to pay the interest calculated at the effective interest rate.

The rate of interest will be subject to revision from time to time due to (i) changes in the Base Rate and (ii) *revision, if any, necessitated by policies of Government of India/Reserve Bank of India.*

You shall be deemed to have the notice of changes in the rate of interest in tandem with the changes in Base Rate or change in interest rates without change in Base Rate if the interest rates are either displayed on the Notice Board of the Branch or published in news papers/Bank's website etc. or made through entries of the interest rate charged in the passbook/statement of account furnished to you and you are liable to pay interest at such revised rate from its effective date.

**Spread** mentioned above consists of the following components -

<b>Component of interest rate spread</b>	<b>Value</b>	<b>Validity period</b>
Standard spread as per the scheme, % p.a.		Throughout loan tenor
<b>Less</b> Concession, % p.a.		
<b>Less</b> Special concession, if any, % p.a.		
<b>Add</b> Premium, if any, % p.a.		
<b>Net spread</b>		

ix) **Fixed Rate of Interest\* (\* Strike Off if not applicable) :-**

\_\_\_\_\_ % p.a. above the BaseRate prevailing on the date of reset after initial 36 months. Thereafter, the fixed interest rate will be subject to **reset at the end of every five years**. Reset period will be calculated from the date of application of Fixed Rate of Interest.

Fixed interest rate has been arrived at as under -

<b>Component of fixed interest rate</b>	<b>Value</b>	<b>Validity period</b>
Base Rate as on date, % p.a.		Till the next date of reset
<i>Add</i> Standard Spread above the Base Rate, % p.a.		Throughout loan tenor
<b>Less</b> Concession, % p.a.		
<b>Less</b> Special concession, if any, % p.a.		
<b>Add</b> Premium, if any, % p.a.		
<b>Effective rate, % p.a.</b>		Till the next date of reset

Fixed interest rate is also subject to force-majeure clause.

In the event of major volatility in interest rate or the fixed rates falling below the Base Rate stipulated by the Bank from time to time or for any other reason, whatsoever during the period of this agreement, the Bank may at its sole discretion alter the rate of interest suitably and prospectively even prior to the end of reset period mentioned above from the date on which interest was last reset. Bank shall be the sole judge to determine whether such conditions exist or not.

a. **Concession for maintaining salary account\*** - Concession of \_\_\_% p.a. is included in the above mentioned interest rate on account of

maintenance of your salary account with our Bank. This will be referred as Salary Account concession in this document. **\*(Strike Off, if not applicable)**

- b. Borrower's obligation for continuation of Salary Account concession**  
- In the circumstances like change of job etc., where in salary is not credited by your employer to your account maintained with us, you would be required to issue Standing Instructions to the salary account servicing bank to transfer entire salary credit to your account maintained with us for continuation of Salary Account concession mentioned above. For the limited purpose of continuation of concessions in interest rates, your account with us under this arrangement will be reckoned as *pseudo-salary account*
- c. Withdrawal of Salary Account Concession** - In the event of discontinuation of salary account/pseudo-salary account with us, the Bank shall have the right to withdraw the Salary Account concession mentioned above, and the interest rate shall be revised accordingly.
- x)** SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.
- xi)** The Bank shall be entitled to charge at its own discretion such enhanced rate of interest on the loan account(s) either on the entire outstanding or on a portion thereof as it may fix for any irregularity including non-observance or non-compliance of the terms and conditions of the advances or any change in the credit rating of the borrower, for such period as the Bank deems it fit and necessary and charging of such enhanced rate of interest shall be without prejudice to the Bank's other rights and remedies.

**5. Repayment:**

The loan is to be repaid by you as strictly as per the undernoted schedule -

	Number of months	Amount
(i) <b>Moratorium</b> period (no. of months)		As stipulated at para (13)
(ii) <i>Equated Monthly Installments (EMIs) at 8% p.a. interest rate</i>		Rs.
(iii) <i>Equated Monthly Installments (EMIs) at 9% interest rate</i>		Rs.

(iv) <i>Equated Monthly Installments (EMIs) at interest rate mentioned at para 4(c)above**.</i>		
(iv) Lump sum repayment		Rs.
Total period (i)+(ii)+(iii)+(iv)		

\*\*EMI calculation is based on present Base Rate and Spreads mentioned above.

EMI payment shall begin from the next month after completion of moratorium period.

The Bank reserves the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

*Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.*

**\$ Moratorium** period is the period, starting from the date of first disbursement, during which repayment of principal and/or interest may not be stipulated. Please note that interest is applied to the account on the basis of balance outstanding in the account, during the moratorium period.

6. **Interest rate in case of default** - Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

7. **Pre-closure Charges**

*Loans on Fixed and Floating rate of interest:*

Pre-closure charge of 2% of the amount pre-paid in excess of normal EMI dues will be levied in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

8. **Security:**

The loan will be secured by:

- a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ for which the loan has been sanctioned, valued at Rs.\_\_\_\_\_belonging to Shri/Smt./Kum.\_\_\_\_\_}S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.
- b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs.\_\_\_\_\_ belonging to Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and

Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor)  
\_\_\_\_\_ in favour of the Bank.

c) Third Party Guarantee of .....  
.....

d) .....  
.....

9. **Utilisation of the loan :**

The amount of the loan shall be utilized strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

10. **Insurance:**

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower. Cost of the same shall be borne by you.

11. **Inspection:**

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

12. **Legal expenses etc.:**

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premia, stamp duty, registration charges and other incidental expenses incurred in connection with the loan shall be borne by you. Periodic reassessment, if any, of the value of the property funded through this loan for the purpose of regulatory compliances shall be done at your cost.

13. **Pre-EMI interest:**

**Capitalization of pre-EMI interest\***

*The loan amount will be fixed suitably taking into account the approximate pre-EMI interest during the moratorium period, duly compounded at the applicable interest rate (worked out on the presumption that the loan is disbursed in lumpsum on the date of first disbursement). The computation of the total loan amount (i.e. actual loan plus pre-EMI interest) will be subject to fulfilment of income criteria eligibility and also subject to the extant instructions regarding Equated Monthly Instalment/Net Monthly Income. Please execute check-off authority with your employer/ tender post-dated cheques towards the EMIs of the loan amount. After completion of the moratorium period, you will have an option to request to reset EMI based on the actual outstandings in the loan account after final disbursement, subject to submission of revised check-off authority or tendering post dated cheques towards the EMIs so arrived at.*

**Servicing of pre-EMI interest\***

Please tender post dated cheques drawn at monthly intervals / ECS mandates for servicing of the amount of pre-EMI interest applied per month during the moratorium period.

(\* score off whichever is not applicable)



14. **Disbursement:**

The loan will be disbursed only on the following conditions:

- a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank.
- n) All the security documents prescribed below have been executed by you/co-applicant (s)/ guarantor(s) -

- (i) Loan agreement
- (ii) Affidavit
- (iii)
- (iv)

- o) The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in installments)

	Stage	Amount (Rs.)
--	-------	--------------

i)

ii)

iii)

- p) You will have to bring in proportionate margin at each stage of disbursement. Disbursement will be made in favour of the seller/builder from whom you are buying the property funded through this loan/in favour of the Financial Institution from where your loan is being taken over.

15. The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other statutory authorities in respect of this transaction.

16. The Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by you , and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.

17. The Bank shall have the authority to disclose/share your Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to you and the nature of the securities given by you, the guarantees furnished to secure the said loans whether fund based or non-fund based, your creditworthiness and any other information which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies, and the Bank shall not be liable in any manner to you for providing the information as aforesaid to the Information Company.

18. Please arrange to submit duly signed copy of this letter as a token of acceptance of the arrangement within \_\_\_\_ days from the date of this letter.

**Yours faithfully,**

**Asst. General Manager/Chief Manager/Branch Manager**

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter.

I/We wish to avail\* / do not wish to avail\* loan for funding of premium of Home Loan Insurance cover. (\*strike off whichever is not applicable).

**Borrower(s)**

Date & Place

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

**Guarantor(s)**

Date & Place

(SPECIMEN OF MEMORANDUM OF LOAN AGREEMENT FOR  
**SBI EASY/Advantage HOME LOAN**)

TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE WITH THE STAMP ACT  
IN FORCE IN THE STATE IN WHICH THE DOCUMENT IS EXECUTED AND NOT  
TO BE ATTESTED

To  
STATE BANK OF INDIA  
.....

PLACE :  
DATE :

Dear Sirs,

Whereas, State Bank of India, a body corporate constituted under State Bank of India Act 1955, having its Corporate Centre at Madame Cama Road, Nariman Point, Mumbai-400 021 having one of its Branch Offices at.....(hereinafter called the "the Bank" which expression shall include its successors and assigns) having, at my/our request {.....Son/Daughter/Wife of.....at present aged ..... around.....and ..... residing at.....and.....Son/Daughter/Wife of.....at present aged around ..... and residing at.....(hereinafter, called "the Borrower" which expression shall include his/her respective heirs, executors, administrators and assigns)} granted me/us \*Home Loan limit / 'SBI-Maxgain'(on Overdraft basis) / of Rs.....(Rupees .....) for purchase/construction of a flat/house/ plot of land or for extension/repairs/ renovations of an existing house/flat/purchase of consumer durables and furnishings/funding of Home Loan insurance cover (hereinafter referred to as the 'project'), situated at .....

(\*Delete whichever is not applicable)

2. In consideration of the grant of the said advance and continuance of the said facility for such time as the Bank may deem fit, I/we, "the Borrower(s)" do hereby irrevocably and unconditionally agree and undertake , so as to bind myself/ourselves, my/our heirs, executors, administrators, estates, assigns and effects as follows, viz.
  - a) The disbursement of the amount of the loan shall be at the Bank's absolute discretion and shall be co-related to the actual progress in the construction of the project. Such disbursements shall be made by means of Bankers cheques drawn in favour of the builders/promoters duly authorized or to engineer/architect/contractor or to suppliers of goods and services when the construction is undertaken by the Borrower and instruct you to make payment for the purpose of the 'project'. The Bank may, at your discretion and at my/our request credit a part of the loan amount to my/our current/savings bank account (maintained in single or joint names) to enable me/us to make payments to suppliers of goods and services. I/We shall submit to the Bank, within a reasonable time, satisfactory proof of the proper utilisation of the amount of the loan, such as Architect's certificate, certifying the value of the work carried out, Contractor's bills, stamped receipts, sale agreement for house/flat etc. If considered necessary by the Bank, I/we shall produce , at my/our cost, photographs showing the progress of construction work carried out by me/us ,

which photographs besides showing portion of the neighbouring properties, shall be certified by persons whose certificates are acceptable to the Bank.

b) I/We shall repay the amount of loan as per the terms stipulated in the *Arrangement/sanction letter dated \_\_\_\_\_* duly accepted by me/us, which forms part of this Agreement, in equated monthly installments of Rs..... each till the entire loan with interest is fully repaid. The equated monthly installments also include interest component. The Bank shall levy pre-closure charges of 2% of the amount prepaid in excess of normal EMI dues in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

- Interest rate *during the first year* (till anniversary date of the loan) from the date of disbursement is Fixed at \_\_\_ p.a..
- Interest rate *during next two years* is Fixed at \_\_\_\_ p.a.
- Interest rate *after three years will be*

Loan on fixed interest basis\*  
(\*delete if not applicable)

Interest on the amount of the loan will be fixed at the rate \_\_\_\_% (Spread) above the **Base Rate** prevailing on the date of reset. The rate will be fixed for **Five** years from the date of reset, and shall be subject to force-majeure clause. Interest rate will be reset thereafter at a frequency of Five years. Interest will be calculated at this rate on *daily reducing balance with monthly rests*. Bank may at its discretion stipulate the periodicity of computation of interest. Further, Bank may at its sole discretion alter the rate of interest suitably and *prospectively* in the event of major volatility in interest rates or due to any reason whatsoever during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. Bank shall be the sole judge to determine whether such conditions exist or not. If we are not agreeable to the revised interest rates so fixed, I/We shall request the Bank, within 15 days of receipt of the notice intimating changed interest rates from Bank to terminate the Loan and shall repay the Loan and any other amount due to Bank in full and final settlement in accordance with the provisions of this Agreement relating to prepayment

Loan on floating\* interest rate basis  
(\*delete if not applicable)

Interest on the amount of the loan will be applied at the **rate of ..... (Spread) per cent above Base Rate which is presently \_\_\_\_\_ % p.a, thus making the effective rate \_\_\_\_\_% p.a. as per the current Base Rate**. Floating interest rate will rise and fall with the Base Rate. Interest will be calculated on the daily balance of the loan

amount and applied at monthly rests. Provided that the Bank shall at any time and from time to time be entitled to change the rate of interest depending on changes in the Base Rate. Notwithstanding the above the Bank is also entitled to revise the rate of interest, at its sole discretion, even if there is no change in the Base Rate and such revised rate of interest shall always be construed as agreed to be paid by the borrower(s) and hereby secured. Borrowers shall be deemed to have notice of change in the rate of interest whenever the changes in the Base Rate or increase in interest rates without any change in the Base Rate are either displayed/notified at/by the branch or published in newspaper or made through entry of interest charged in the passbook/statement of accounts sent to the borrower(s).

Salary account concession \$  
( delete, if not applicable)

I/We declare and confirm that in the circumstances like change in job etc., wherein the salary is not credited by my/our employer to account maintained with the Bank, I/We undertake to advise such development to the Bank, further I/We would issue standing instructions to the salary account servicing bank to transfer entire salary credit to my/our account maintained by the Bank for continuation of Salary Account Concession as mentioned above and for the limited purpose of continuation of concessions in interest rates, my /our account with the Bank under the arrangement will be reckoned as pseudo-salary account.

I/We further agree and confirm that in the event of discontinuation of my/our salary account/pseudo-salary account with the Bank, the Bank shall have the right to withdraw the salary account concession and the Bank shall have the right to revise the interest rate accordingly and I/We will not raise any objection /dispute to the said action of the Bank".

Without prejudice to the Bank's other rights and remedies, the Bank shall be entitled to charge at its own discretion enhanced rates of interest on the outstanding in the loan account (s) or a portion thereof for any default or irregularity on my/our part which in the opinion of the Bank warrants charging of such enhanced rates of interest for such period as the Bank may deem fit. The Equated Monthly Instalments will have to be paid till the entire loan and the interest is fully repaid. Further, the amount of Equated Monthly Instalment may change/increase as may be decided by the Bank.

**Interest rate in case of default** - Enhanced rate of interest @2% p.a. on the entire outstanding for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque)

- c) If the loan amount has been utilised by me/us for purchase of ready built house/flat, I/we shall pay the first such monthly instalment following the month in which the loan amount is disbursed to me/us. The subsequent monthly instalments shall be paid before the last day of each subsequent month. If the loan amount has been utilised for construction of / additions to house/flat, I/we may be permitted to pay the first such monthly instalment till 2 months after the month in which the house/flat has been completed or on the expiry of 18 months from the date of disbursement of the first instalment, whichever may be earlier. The subsequent monthly instalments will be paid before the expiry of each subsequent month.
- d) Pre-EMI interest :
- (i) \* I/We have opted for servicing of Pre-EMI interest and have already delivered or hereby undertake to deliver post-dated cheques drawn at monthly intervals for servicing of the amounts of Pre-EMI interest during the moratorium period.
- (ii) \* I/We have opted for capitalizing the Pre-EMI interest and agree that *the loan amount will be fixed suitably taking into account approximate Pre-EMI interest during the moratorium period as detailed in paragraph* pertaining to the Pre-EMI interest in the Arrangement letter dated.....I/We hereby unconditionally agree to execute necessary authority in favour of my/our employer or tender post-dated cheques towards EMI's of the loan amount. If necessary I/we would request for resetting of EMI's based on the actual outstanding in the loan account after final disbursement.
- (\* score off whichever is not applicable)
- e) I/We declare and confirm that the amount of the loan or the balance then outstanding shall become payable at once in case of my death or death of anyone of us. In case of death, the Bank may, at its discretion, continue the loan provided sufficient collateral security is furnished by my/our legal heirs/surviving borrower(s) or some satisfactory arrangement for repayment acceptable to the Bank has been made by my/our legal heirs/surviving borrower(s).
- f) I/We shall arrange for the payment of the equated monthly instalments from my/our monthly salary or in whatever manner deemed fit \* or by debit on the due dates from the Current /Savings Bank account with Branch/or any other Branch where I/we may hold the account singly or jointly and to appropriate the same in repayment of the said loan and interest.

I/We shall execute in favour of the Bank a letter of authority, addressed to my/our employers to recover and pay to the Bank the equated monthly instalment from my/our salary every month\*.

\* Delete if not appropriate.

- g) On demand I/We agree to deliver to the Bank post-dated cheques / ECS mandates for the monthly instalments and warrant that the cheques will be honoured on first presentation. Any non-presentation of a cheque due to any reason will not affect my/our liability to pay the monthly instalments or any other sum. I/We agree to forthwith replace the cheques/issue fresh cheques, if required by the Bank. I/We shall not be entitled to call upon the Bank to refrain from presenting any cheque for payment and if I/we do so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under the Negotiable Instruments Act, shall apply. I/We also agree to pay a penalty as stipulated by the Bank from time to time, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable.
- h) I/We declare and confirm that on my/our retirement, the outstanding amount of the loan sanctioned to me will become repayable at once. The Bank may, at its discretion, continue the loan provided satisfactory arrangement for repayment, acceptable to the Bank has been made by me/us.
- i) In the event of cessation of my/our business/service with my/our employers by way of resignation or otherwise (except as a result of death or retirement), I/we undertake to repay to the Bank forthwith on demand the balance principal amount of the loan, or the balances then outstanding whichever is higher.
- j) In the event of my/our ceasing to be in business/service of my/our employer whether by retirement, resignation, death or by operation of law or for any other reason or cause whatsoever and howsoever the Bank shall be entitled at its discretion, to write to my/our employers to appropriate and set off (i) any amount which may then be payable by my/our employers to me/us whether by way of salary, allowances, bonus, other remuneration or any payment (whether ex-gratia or otherwise) whatsoever and (ii) any amount that may be standing to the credit of any account which I/we may have with my/our employers or with the Bank, either singly or jointly, towards repayment of the balance that may be then remaining due and payable by me/us in my/our said loan account together with interest thereon at the applicable rates upto the date of such repayment. Any such appropriation made by the Bank or my/our employers shall be conclusive and binding on me/us and my/our estate both in and out of court. In any event my/our liability to make repayment of the entire dues immediately shall remain valid till the entire amount with applicable interest as up to the date of payment has been realised by the Bank whether by way of recovery from my/our employer or otherwise.
- k) I/We will not sell assign, mortgage, charge or in any way encumber or alienate the said flat/house/land or any part thereof/consumer durables/furnishings so

long as I/we am/are indebted to the Bank in the said loan account without prior permission of the Bank in writing. I/We undertake to give prior intimation to the Bank before letting out / giving on leave and licence the said flat/house. In the event of my/our account becoming irregular, NPA the Bank is at liberty to take vacant possession of building/flat/house (premises) from me/us, and hire the said premises at market rent for its commercial or residential purpose as the case may be and adjust the proceeds of the hire charges towards outstanding of my/our loan account.

- l) The loan shall be secured by a valid equitable/legal mortgage of the land/house/flat purchased/constructed by me/us for which the Loan facility is provided by executing/registering such documents in such form as may be decided by the Bank. I/We shall, if required by the Bank, give such further security as acceptable to the Bank forthwith on demand by the Bank. In case it is not possible to create security by way of mortgage as aforesaid I/we shall forthwith on demand arrange for other collateral securities, by way of pledge/hypothecation, such as Bank's Fixed Deposits, National Savings Certificates, Kisan Vikas Patra, Life Insurance Policies, promissory notes issued by any Govt., shares or debentures of the companies, sufficient quantity of gold or gold ornaments or other articles or things acceptable to the Bank as security for the loan.

*The loan shall also be secured by the guarantee of a person acceptable to the Bank and good for the loan amount involved and by mortgage of the guarantor's property also or pledge/assignment/hypothecation of other securities acceptable to the Bank, if need be.\*\**

(\*\* Applicable in cases where Guarantee/ Charge on Guarantor's assets is stipulated in the Loan Arrangement letter.)

- m) I/We shall obtain at my/our cost and produce for the satisfaction of the Bank a certificate from the Advocate/Solicitors approved by the Bank certifying that I/we will have clear, valid and marketable title to the land/house/flat proposed to be purchased by me/us and agree that the Bank shall be entitled not to disburse any amount of the loan until such certificate has been produced by me/us.
- n) I/We shall maintain the flat/house in good tenantable repair and condition at my /our cost at all times so long as I/we am/are indebted to the Bank and that I/we shall ensure that the Bank's security is not in any way jeopardised. I/we shall duly and punctually pay the charges, if any, payable to the Co-operative Housing Society/condominium association and also all the municipal/revenue taxes, charges, rates, cesses etc. from time to time payable by me/us in respect of the flat/house/land. The Bank shall be at liberty to inspect the flat/house/land at any reasonable time and I/we shall furnish all such information/particulars whatsoever as and when called upon to do so by the Bank. I/We shall provide the required no-objection consent for creating a charge on the property secured for the Loan, from the Society/Condominium or any other permissions by any authority necessary for creating the security in favour of the Bank.
- o) I/We shall at my/our cost insure and keep insured in the joint names of myself/ourselves and the Bank my/our house/flat at all times against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts



of God for such other risks for its full market value as desired by the Bank from time to time and shall endeavour to get the building in which my/our flat is situated insured against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake, risks and other acts of God at all times by the Co-operative housing society/apartment owner/association or any other body under whose control the building is vested. I/we shall deliver copies of the insurance policies, cover notes, premium receipts, etc., to the Bank. If I/we fail to effect such insurance the Bank will be at liberty but not obliged to insure the said house/flat against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God and debit the premium and other charges to any of my/our accounts with the Bank. I/we expressly agree and declare that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the insurance company and the insured arising from or under or in connection with any such policy or policies of insurance and such adjustment, settlement, compromise or any award made on such reference to arbitration shall be valid and binding on me/us. I/we further agree that the Bank shall have a right to receive all moneys payable under any such policy or under any claim made thereunder and to give a valid receipt therefor and that the amount so received shall be credited to my/our loan account and I/we will not be entitled to raise any question that a larger sum might or ought to have been received or to dispute my/our liability for the balance remaining due on such account after such credit.

- p) I/We agree and declare that notwithstanding anything contained herein or in any other security documents the entire amount of the loan or the balances then due shall, if so decided by the Bank, become forthwith due and payable by me/us to the Bank, upon the happening of any of the following events and the Bank shall be entitled to enforce its dues and security.
- i) any instalment of the principal remaining unpaid for a period exceeding one month after the due date for payment thereof has expired;
  - ii) any interest including penal interest remaining unpaid and in arrears for a period of one month after the same has become due whether demanded or not;
  - iii) any breach or default in the performance or observance of any of the covenants contained in these presents and/or the security documents or any other term or condition relating to the term loans;
  - iv) entering into any arrangement or composition with my/our creditors or committing any act of insolvency;
  - v) any execution or distress being enforced or levied against the whole or any part of my/our property;
  - vi) a receiver being appointed in respect of the whole or any part of my/our property;
  - vii) the occurrence of any circumstances which is prejudicial to or impairs, imperils or depreciates or which is likely to prejudice, impair, imperil or depreciate the security given to the Bank ; and

viii) the occurrence of any events or circumstances which prejudicially or adversely affect in any manner my/our capacity to repay the amount due under the loan.

On the question whether any of the above event/s has/have happened, the decision of the Bank shall be conclusive and binding on me/us.

Provided always that the Bank may in its discretion refrain from forthwith enforcing its rights under this Agreement in spite of the happening of the contingencies aforesaid and provided further that the failure or delay by the Bank in exercising any right, power or privilege hereunder or under any of the security documents shall not impair/extinguish the same or operate as waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies herein and in the security documents are cumulative and not exclusive of any rights and remedies provided by the law.

- q) I/We also agree that the Bank shall also be entitled to transfer loan account to any of the branches of the Bank after giving due notice to me/us.
- r) I/We shall abide by the terms and conditions of the sanction of the loan to me/us as mentioned in the arrangement letter/sanction letter which forms part of this agreement and also to the rules for such loans which are now in force and also those which may be altered, revised, amended, added from time to time by the Bank/the Reserve Bank of India/Central Government/State Government.
- The undertakings, authority and agreements herein contained shall be irrevocable so long as I/we continue to be liable to the Bank in the said loan account.
  - I/We hereby further agree that as precondition of the loan/ advance given to me/us by the Bank, that in case of default in repayment of the loan/advances or in the repayment of the interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish my/our name(s), details and photograph(s) as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
  - I/We further agree that the Bank is at liberty to disclose/share my/our Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to me/us and the nature of the securities given by me/ us, the guarantees furnished to secure the said loans whether fund based or non-fund based, my/our creditworthiness and any other manner which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies and the Bank is not liable in any manner to me/us for providing the information as aforesaid to the Information Company.
  - I/We agree that the Bank has absolute right to assign this agreement in favour of any person including securitisation company or reconstruction company under the SARFAESI Act and on such assignment, I/We will be liable to such assignee as if assignee is the Bank/lender and assignee will have all rights against me/us and as well as overall properties either given as security or otherwise to recover all debts/liabilities payable by me/us under this agreement.
  - **Notwithstanding anything contained hereinabove, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by us, and/or (b) in case of deterioration in the loan**

**accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.**

- I/We declare that I have understood all the terms and conditions for the sanction of this loan and agree to abide by the same and also by the rules and regulations which may be issued by the Bank in future from time to time and in the event of my/our failing to do so, the Bank will have a right to recall the advance without prejudice to the Bank's right to take such appropriate action as the Bank may deem it fit and proper.

Signed and delivered by :

Shri/Smt./Kum.....  
(Borrower) (Signature)

Shri/Smt.Kum.....  
(Borrower) (Signature)

Signed for and on behalf of  
State Bank of India by  
Shri/Smt.....  
(Dy. General Manager/ Asst. General Manager/  
Chief Manager/ Branch Manager  
.....Branch,  
an authorized officer of State Bank of India (Signature)

## SBI HOME LOAN PAL (PRE-APPROVED LIMIT)

- Assessment of eligible loan amount before finalization of the property by the applicant.
- Customer can confidently negotiate with the builder/seller.
- Builder/sellers who are apprehensive about our ability to deliver in time will not find a need to influence the customer to go to other banks/HFCs.
- Database of Pre-approved loans will enable the Bank to negotiate with the builders to offer better rates for SBI Home Loan borrowers.

### **Background**

In the existing process, customer can apply for Home Loan only after he has finalized the property purchase deals. Purchaser is faced with a challenge of strict adherence to payment schedules for completion of the deal, and as such the Turn Around Time (TAT) of loan sanction assumes paramount importance in his decision of selection of the loan provider. Gaps in the interpretation of income statements, circular instructions etc. by the sourcing entities and the sanctioning units often lead to a situation where there is a shortfall in the loan delivery in terms of loan amount, TAT etc. vis-à-vis those told to the customers by the sourcing entities. Certainty about the eligible loan amount and certainty about the time taken for disbursement are the key issues in delivering a good Home Loan experience to the borrowers.

2. This certainty can be assured to the borrowers if KYC compliance and Assessment of eligible loan amount are completed before finalization of the property deal by the borrower. For this purpose it has been decided to introduce a product named "SBI Home Loan PAL (Pre-Approved Limit)".

Salient features of the scheme are:

- PAL will be available only at the RACPCs.
- Minimum limit amount under this facility would be Rs.30 Lacs.
- All the documents prescribed for Home Loan, except property documents would be collected from the applicant along with the application form.
- KYC formalities including visits to residence and workplace, verification of income proof to be completed on submission of the file to the RACPC.
- CIBIL credit report will be verified.
- RACPC will assess the loan eligibility on the basis of income details of the applicant.
- **Sanction of pre-approved Home Loan limit will be advised to the borrowers through a "Pre-approved Loan Arrangement Letter (PLALs)" in the format furnished at Annexure A.**
- **Non-refundable processing fee as applicable to the Home Loan will be collected upfront.**
- TAT under this scheme will be as under:

Activity	For property under approved projects	Other than approved projects
Sanction*	1 day	3 days
Documentation & Disbursement	1 day	1 day

\*Additional one day will be permitted if the borrowers address in the Sale Agreement is different than the one verified by us as a part of KYC process. Address will be verified again in such cases.

#### 4. Characteristics of Pre-approved Loan Arrangement Letter (PLAL):

- i) PLAL will be valid for a period of 2 months. Home Loan application will be required to be submitted by the borrower within the validity of PLAL. Since the processing fee in such cases is collected upfront, it will not be levied again.
- ii) Pre-approved loan arrangement letter (PLAL) will carry the eligible loan amount calculated on the basis of prevailing interest rates. Loan amount calculated on the basis of prevailing interest rates will be valid for a period of 1 month (If the interest rate is revised downwards within a period of 1 month, then the borrower will be given the benefit of such downward revision.). Thereafter the interest rates applicable on the date of sanction of Home Loan will be applicable. For the benefit of understanding of the borrower, the PLAL will also carry the eligible loan amount if interest rate moves up or down by 25 basis points and 50 basis points respectively.
- iii) Interest rate will not be mentioned in the PLAL, so as to avoid misuse of PLAL by the borrower for shopping around for bargains.
- iv) Home Loan will have to be availed by the borrower from the same RACPC which has issued the PLAL.
- v) Home Loan will be sanctioned against the PLAL by the RACPC on satisfactory legal verification, valuation, and inspection.
- vi) If the time gap between PLAL and submission of Home Loan application by the customer is more than one month, fresh CIBIL Credit report will be verified by the RACPCs. This is warranted as the score of an applicant can change in the interim if he has approached several entities for credit facilities.
- vii) PLAL will carry a clause that Home Loan will be sanctioned on the basis of PLAL only if there is no change in the CIBIL credit report which is perceived to be adding to the risk assessed by the Bank at the time of issuing PLAL.
- viii) PLAL will be issued under the dual signatures of the processing officer as well as the sanctioning officer.

**SBI Pre-Approved Loan (SBI PAL)  
Arrangement Letter**

To

Shri/Smt 1).....

Shri/Smt. 2).....

Ref. No. :SBI/RACPC/&lt;place&gt;/HL-PAL/&lt;FY&gt;/&lt;Sr.No.&gt;

Date :

Dear Sir/Madam,

**SBI Home Loan****Pre Approved Loan Limit (SBI PAL) : Rs. \_\_\_\_\_**

We are pleased to advise that on the basis of documents submitted by you and the information furnished by you in your application dated ....., we have decided to sanction a Pre-Approved Home Loan Limit (SBI PAL) as under :

Loan amount as per prevailing interest rates	Rs.(in figures) _____
	Rs.(in words) _____

**2. Validity of the approval :** For availing disbursement under SBI PAL you will be required to submit the application for disbursement of loan together with original documents relating to the purchase of residential property or construction plan with estimates of expenditure certified by a qualified architect, within 2 months from the date this letter to this office.

**3. Validity of present interest rates:** SBI PAL limit is calculated on the basis of present interest rates. If the interest rates are revised upwards by the Bank, you will get the benefit of the present rates if the disbursement is availed within 1 month from the date of this letter. If the interest rates are revised downwards, then the benefit of the revised interest rates will be available to you within the validity period of this approval, i.e. within 2 months from the date of this letter. If the disbursement of loan under this approval is availed after 1 month from the date of this letter and interest rates are revised upwards by the Bank, then the eligible loan amount will be re-calculated since the loan amount is assessed by the Bank on the basis of Installment to Income Ratio which increases with increase in the interest rate. Eligible loan amount in the event of increase in interest rates is furnished below for your knowledge:

Increase in interest rate by basis points	Revised SBI PAL Rs.
25	
50	

**4. Credit Information Report -** If the time gap between the date of this letter and the date on which the details of the property are submitted by you in the specified format,

is more than one month, the Bank will obtain a fresh Credit Information Report (CIR) on you from CIBIL or any Credit Information Bureau authorized by the Reserve Bank of India. Loan under SBI PAL will be disbursed only if there is no change in the Credit Information Report which is perceived to be adding to the risk assessed by the Bank.

**5. Purpose -**

(i) The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land/purchase of consumer durables/furnishings/takeover of Home Loan (hereinafter referred to as the 'project'). (\*Strike off whoever is not applicable)

(ii) Premium of Home Loan Insurance cover (Optional) - Rs. \_\_\_\_\_

**6. Margin:** % of the total cost of the project.

**7. Legal Verification & Valuation fees:**

Title verification and Search Report (TVSR) in respect of the Title Deed submitted by you will be entrusted with the legal experts identified by the Bank. Costs associated with TVSR will be required to be borne by you. Value of the property will be assessed by an independent valuation expert identified by the Bank. Valuation fees will be required to be borne by you.

**8. Security :** You will be required to furnish security as under prior to disbursement of the loan : (\*Strike off whichever is not applicable.)

(i) Mortgage of the property for which loan is being availed.

(ii) Guarantee of Shri./Smt \_\_\_\_\_ whose income is clubbed with your income for calculation of your eligibility for loan.

(iii) Guarantee of Shri./Smt \_\_\_\_\_ as interim security till completion of the mortgage formalities.

**9. Disbursement :**

The loan will be disbursed only on the following conditions :

q) Title of the property proposed to be purchased is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank. If creation of mortgage is delayed for valid reasons, then interim security as prescribed by the Bank is furnished.

r) All the security documents prescribed below have been executed by you/co-applicant (s) / guarantor(s) -

(v) Loan agreement

(vi) Affidavit

**10. Completion of Loan sanction process :** Loan sanction process will be deemed to be completed only after completion of the processes listed in para (3) to (10) above.

**11. Loan arrangement letter** containing terms and conditions governing the loan, including the interest rate, loan repayment programme etc. will be exchanged with you after completion of the loan sanction process as mentioned above.

**Yours faithfully,**

**Asst. General Manager/Chief Manager/Branch Manager**

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter.

**Borrower(s)**

Date & Place

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

**Guarantor(s)**

Date & Place



**SBI SURAKSHIT HOME LOAN**  
(Home Loans with Life Cover)

Home Loan borrower(s) of the Bank are presently given an option to avail additional loan for funding of premium of Life Insurance Cover Plan. The option is exercised by the borrowers either at the time of application or later.

2. As per the regulatory guidelines, the insurance policy is required to be sold to the customer only when he volunteers to obtain the cover. With a view to ensuring demonstrated compliance with these guidelines and avoiding incidence of alleged coercive tactics by the operating units for selling of insurance products, it has been decided to keep two separate Home Loan plans on the shelf, viz. (i) SBI Surakshit Home Loans (with Life Insurance Cover) and (ii) SBI Home Loans (without Life Insurance Cover).

3. At the time of application, difference between the two plans should be explained to the customer(s). In cases where the customer chooses to opt for SBI Surakshit Home Loan plan, a separate letter (as per Annexure A) for that purposes should be obtained from him along with the Home Loan application form.

4. The scheme will be applicable to all new customers as well as to existing customers who subsequently opt for SBI Life coverage.

To:

State Bank of India  
\_\_\_\_\_

Dear Sir,

**SBI Surakshit Home Loan Plan**  
**Request for Loan for Payment of Life Insurance Premium**

Please refer my/our application for Home Loan dated \_\_\_\_\_.

2. I/We have evaluated the option of obtaining life insurance policy for covering my/our Home Loan outstanding, and have decided to opt for the insurance cover from SBI Life.
3. I/We understand that the premium for SBI Life insurance cover is required to be paid upfront. I/We request you to include loan for funding of the full premium amount, in the total Home Loan amount to be sanctioned to me/us by the Bank.

Yours faithfully,

Applicant(s)

Guarantor(s)

Date :

Place :

**FESTIVAL SEASON OFFER:TRIPLE H+**  
(1<sup>st</sup> October 2010 to 31<sup>st</sup> January 2011)

**Background**

The Bank has established a clear leadership position in the market with the power of path breaking products - SBI Easy Home Loan and SBI Advantage Home Loan. The interest rates and processing fee are already very competitive, and a time has come to break away from competition to cut prices, by offering more value to our customers. Accordingly, the theme for this festival season is *Health, Happiness and Home (Triple H<sup>+</sup>)* for our customers at Bank's cost.

2. SBI Life has launched a group insurance product named "Group Criti9" which covers 9 critical illnesses namely (i) Cancer, (ii) Heart Attack, (iii) Stroke, (iv) Coronary Artery Bypass surgery, (v) Kidney failure, (vi) Major Organ Transplant (i.e. Heart, lung, liver, pancreas, small bowel, kidney or bone marrow), (vii) Coma, (viii) Multiple Sclerosis and (ix) Heart valve surgery.

Differentiating feature of this policy is payment of sum assured to the beneficiary immediately on the basis of appropriate certificate of diagnosis of the listed disease without any evidence of expenses.

3. Salient feature of **Triple H<sup>+</sup> Festival Season offer:**

***Sum assured:***

Cover will be provided Resident Indian as under for a period of 5 years:

Home Loan Limit (in Rs.)	Criti 9 Cover sum assured (in Rs.)
>30 Lac	5 Lac
>10 Lac and <=30 lac	3 Lac
>5 Lac and <=10 Lac	1 Lac
>=1 Lac and <=5Lac	25,000

***Eligibility Criteria:***

(i) ***Cut-off date:*** New Home Loans sanctioned on or after 1<sup>st</sup> October 2010 (including those which were sourced earlier but sanctioned on or after 1<sup>st</sup> October 2010). Cut-off

dates for closure of the scheme will be 31<sup>st</sup> January 2011 for sourcing of loan proposals and 28<sup>th</sup> February 2011 for disbursement.

***Age of the borrower:***

Borrower should not have completed 55 years of age as on the date of sanction, because the maximum entry level age under SBI Life's Group Criti9 is 55 years. In case of joint borrowing, only one of the borrowers who is the youngest among them will be covered under Group Criti9.

***Minimum loan amount:***

Rs. 1 Lac

***Minimum loan tenure:***

120 months.

***Others:***

Bank may discontinue payment of premium if the account is pre-closed or the borrower does not observe credit discipline.

**4. Operational modalities under this offer:**

- a) Individual members to be covered under the scheme will be required to sign a Proposal Form as part of the joining formality.
- b) SBI Life will upload a tool for individual branches/RACPCs to make the data entry of the members covered under the plan. This data will be extracted by SBI Life at the month-end. Home Loans department, Corporate Centre will pay the consolidated premium to SBI Life.
- c) Certificate of Insurance will be given to the customers through the branches/RACPCs concerned.
- d) SBI Life will provide the data to Home Loans Department, Corporate Centre for subsequent renewal of the policy.
- e) In order to ensure coverage of all eligible borrowers under the scheme, SBI Life will provide, after the closure of the scheme, an exception report on the basis of data extracted from Data Warehouse covering (i) Circle-wise list of accounts which should have been covered under the scheme but not reported by the branches to SBI Life, and (ii) Circle-wise list of accounts which are covered under the scheme but do not conform with the eligibility criteria.

Such cases will be verified by the Circles and errors if any will be rectified by them by *paying the premium at the Circle level* within 1 month i.e. before 31<sup>st</sup> March 2011.

# **PART-IV**

## **(Obsolete / Withdrawn Schemes & Products)**

### SBI SPECIAL HOME LOAN SCHEME

In response to the strategies rolled out by the Govt. of India and the Reserve Bank of India for stimulating growth in the economy, IBA has announced special Home Loan package for small loan borrowers. Accordingly, a new product 'SBI Special Home Loan Scheme' has been launched with effective from 16<sup>th</sup> December 2008 for small ticket Home Loans in conformity with the IBA guidelines.

2. Primary focus of this product is to add a degree of certainty and affordability in the loan repayment obligation over a fairly longer period. Therefore this product is being offered at a fixed rate of interest for a period upto **20** years (as against maximum 10 years under regular Home Loan schemes) and an interest rate reset frequency of five years (as against 2 years under regular Home Loan schemes). In addition, the customer shall have an option to convert the loan outstanding into a floating rate loan at the time of reset.

Parameter	Proposed norms		
1.Product name	<b>SBI Special Home Loan Scheme</b>		
2.Product Code For CBS	For Loans upto Rs.5 Lacs	Facility Type- <b>Term Loan</b>	6250 2031
	For loans above Rs.5 Lacs and upto Rs.20 Lacs	Facility Type- <b>Term Loan</b>	6250 2032
		Facility Type- <b>Overdraft (SBI Max Gain)</b>	6050 2005
3. Code for CIS	For Loans upto Rs.5 Lacs		5011
	For Loans above Rs.5 Lacs and upto Rs.20 Lacs		
4.Product availability period	<b>Upto 30<sup>th</sup> June 2009.</b> (Disbursement under the scheme allowed upto 08 <sup>th</sup> August 2009)		
5.Purpose	(i) Purchase / construction/extension of old/new house/flat /plot of land for construction of house* together with registration charges and stamp duty. * When loan is availed for purchase of plot, the loan would be governed by the maximum period allowed for construction under SBI Realty scheme. (ii) Loan for the purpose of renovation may be given under SBI Freedom only. <b>Note</b> - Takeover of Home Loan from other Bank/Financial Institution or Swapping of existing Home Loan availed from the Bank is <b>NOT</b> permitted. However, loans which have been sanctioned and not disbursed even partially may be considered under this scheme. Overall exposure (i.e. total of limits sanctioned) under this scheme to one individual would be restricted to Rs.20 Lacs. Format of Affidavit to be obtained from the borrower		

	modified suitably for this purpose, is furnished at Annexure A & B.								
6.Facility Type	Term Loan or Overdraft under SBI MaxGain for loans above Rs.5 Lac and upto Rs.20 Lacs. <b>Note</b> – Loan under SBI MaxGain can be given only to Salaried Employees/Pensioners of Government/Government Undertakings//PSUs/ and reputed companies.								
7.Maximum Loan Amount	Rs.20 lacs								
8.Interest rate	For Loans upto Rs.5 Lac – 8.5% p.a. fixed rate with reset every 5 years from the date of disbursement of first instalment. For Loans above Rs.5 Lac and upto Rs.20 Lacs – 9.25% p.a. fixed rate with reset every 5 years from the date of disbursement of first instalment. One time option available to customer at the end of 5 years to convert into floating interest rate loan. Reset or conversion will be at the rates prevailing at the time of reset.								
9.Risk Based Concession/Discount	Risk Based Concessions and discounts on interest rate are <b>not</b> applicable on this loan.								
10.Special concessions	Special concessions in interest rate like concession for Green Housing, Plus schemes Credit Khazana, Salary Accounts etc. are <b>not</b> applicable on this loan.								
11.Discretionary concessions	Discretionary powers given to Circle authorities to quote interest rate concessions on Home Loans are not applicable for this scheme.								
12.Margin	For Loans upto Rs.5 Lacs – Min.10% For Loans above Rs.5 Lacs and upto Rs.20 Lacs – Min. 15%								
13.Discretion to reduce margin	No discretion will be available with the Circle authorities for reduction of margin.								
14.Maximum permissible loan tenor	20 years (including moratorium period) or till the borrower completes the age of 70 years or the period over which the borrower is normally expected to have a continuous source of income sufficient enough to service the loan repayment obligation with a fair degree of comfort, whichever is earlier.								
15.Repayment	<ul style="list-style-type: none"> <li>➤ Loan together with interest would be repaid by way of EMIs.</li> <li>➤ EMI/NMI<sup>§</sup> ratio should be in conformity with the norms prescribed for regular SBI Home Loan scheme, presently as under –</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><i>Net Annual Income</i></th> <th><i>EMI/NMI ratio</i></th> </tr> </thead> <tbody> <tr> <td><i>Upto Rs.2 lacs</i></td> <td><i>40%</i></td> </tr> <tr> <td><i>Above Rs.2 to 5 lacs</i></td> <td><i>50%</i></td> </tr> <tr> <td><i>Above Rs.5 lacs</i></td> <td><i>55%</i></td> </tr> </tbody> </table> <p style="text-align: center;"><i>Increase upto 5% in the above ratios may be permitted by the</i></p>	<i>Net Annual Income</i>	<i>EMI/NMI ratio</i>	<i>Upto Rs.2 lacs</i>	<i>40%</i>	<i>Above Rs.2 to 5 lacs</i>	<i>50%</i>	<i>Above Rs.5 lacs</i>	<i>55%</i>
<i>Net Annual Income</i>	<i>EMI/NMI ratio</i>								
<i>Upto Rs.2 lacs</i>	<i>40%</i>								
<i>Above Rs.2 to 5 lacs</i>	<i>50%</i>								
<i>Above Rs.5 lacs</i>	<i>55%</i>								

	<p><i>controller of the Branch/ AGM (RACPC), which processes the loan application, depending on the family size and availability of disposable surplus income. EMI for the purpose of computing the ratio will include all EMIs towards existing loans and the proposed loan</i></p> <p><i>\$ In case of loans sanctioned for purchase of plot, EMI/NMI ratio should be in conformity with that applicable to SBI Realty.</i></p> <p>Income of the family members (i.e. spouse, parents, children , siblings) who guarantee the loan may be reckoned for calculation of loan eligibility.</p>
16. Eligibility	<p>1. Loan to be provided in the name of single person only, to Indian Nationals and PIOs above 18 years of age with a continuous and verifiable source of salaried/business/professional income during the preceding two years. SBI Staff members may also avail loan under this scheme.</p> <p>2. In cases where the residential property is held in joint names, loan may be sanctioned to one of the joint owners provided all the remaining joint owners guarantee the loan and join in creating mortgage of the property in favour of the Bank.</p> <p>Letter, as per format enclosed at <i>Annexure C</i>, signed by all the co-owners of the property authorizing the “applicant” to raise home loan from the Bank should be obtained along with the loan application. KYC process should be done for all the joint owners and authenticity of their signatures on the letter should be established as part of the pre-sanction process.</p>
17. Other eligibility norms, security, processing fee, documentation, accident insurance cover, property insurance cover etc.	<p>Processing fee – Waived</p> <p>Pre-payment charges – NIL</p> <p>Loans under SBI Freedom may also be considered under this scheme.</p> <p>All other norms as per the existing Home Loan scheme.</p>
18. Life Insurance	<p>Life Insurance cover for the entire amount of outstanding loan in conformity with original repayment schedule will be provided to the borrower at the Bank’s cost under a Master Policy from M/S SBI Life and premium for the same shall be paid centrally. Maximum permissible entry level age of the borrower for this policy is 65 years, and the cover will cease on completion of 70 years of age (i.e. on 71<sup>st</sup> birthday) of the individual borrower concerned. Since details of Special Home Loan Accounts, necessary for payment of insurance premium</p>



	<p>are going to be extracted from CBS data, operating units should exercise due care in feeding the account level details like Product code, Name of the borrower, Date of Birth, Date of sanction, Limit Sanctioned, Interest rate, Tenure of loan, Start date of EMI, Date of last EMI with 100% accuracy so as to ensure that no eligible borrower remains uncovered under the Master Policy. Gaps in the data, if any, noticed by SBI Life, should be furnished to the designated local contact of SBI Life immediately.</p> <p>Format of Arrangement Letter for SBI Special Home Loan containing the provision of life insurance cover is furnished at <i>Annexure- D</i>.</p>
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4. Other Home Loan products offered by us prior to introduction of this product shall continue to be available. Home loan cases upto Rs.20 Lacs which do not fit into the criteria of this scheme, may be considered under other schemes.

ANNEXURE-'A  
(Covering letter for the  
Affidavit)

The Branch Manager,  
State bank of India,  
\_\_\_\_\_ Branch,

Dear Sir,

**SBI Special Home Loan**  
**Affidavit of Declaration and Indemnity**

Please find enclosed an affidavit in respect of the SBI Special Home Loan of  
Rs. \_\_\_\_\_/- availed by me/us.

Signature(s) of Borrower(s)

Place : \_\_\_\_\_

Date : \_\_\_\_\_

(To be stamped as an Affidavit & Indemnity as per applicable State Stamp Act)

**A. AFFIDAVIT**

- I/We, (1) (name and detailed address of the borrower)  
(2) (name and detailed address of the borrower)  
(3) (name and detailed address of the borrower)

the borrower(s) hereby make an oath and state as follows:

- a) I/We have availed Home Loan / finance of Rs.\_\_\_\_\_ **under SBI Special Home Loan Scheme** from State Bank of India (herein after referred to as 'the Bank') for purchase/construction of house/tenement/flat which is more particularly described in Schedule I hereunder written (hereinafter referred to as the scheduled property), and hereby declare that I/we have not availed any other loan for acquiring the scheduled property.
- b) I/We declare that total of loans availed by me under SBI Special Home Loan Scheme does **not exceed Rs.20 Lacs.**
- c) I/We declare that the scheduled property is not located in an unauthorized colony.
- d) I/We declare that the scheduled property is meant for residential use and that it will not be used for commercial purposes.
- e) Copy of the related construction plan sanctioned by the competent authority, namely \_\_\_\_\_ (name of the sanctioning authority) under reference No. \_\_\_\_\_ dated \_\_\_\_\_ is enclosed with this affidavit.
- f) (Retain one from A and B below depending on the purpose of Home Loan)

A. ( In case of Home Loan for building construction )

I/ We hereby undertake that I /We shall not violate the sanctioned construction plan and that the construction will be strictly as per the sanctioned plan (enclosed). It shall be my /our sole responsibility to obtain completion certificate from the competent authority within 3 months of completion of

construction and produce the same for verification by the Bank, failing which the Bank shall have the power and authority to recall the entire loan with interest, costs and other usual Bank charges.

or

**B. (In case of Home Loan for constructed property /built up property)**

I / We declare that the scheduled property has been constructed / built up as per the sanctioned plan and/or building bye-laws, and completion certificate under reference No. \_\_\_\_\_ dated \_\_\_\_\_ issued by \_\_\_\_\_, the competent authority is enclosed with this affidavit.

- a) I / We hereby undertake to allow an Architect/Engineer appointed by the Bank to inspect the construction at various stages including the completion stage to ascertain conformity of construction with the sanctioned plan and confirm issuance of Completion Certificate by the Competent Authority.
- b) I/We have full, absolute and unhindered right, title interest to and over the scheduled property and nobody else has any right, title or interest in the scheduled property.
- c) As a security for the advance/finance availed by me/us, I/We have delivered to the Bank the title deeds more particularly described in Schedule II hereunder written in respect of the scheduled property with an intention to create mortgage of the scheduled property on \_\_\_\_\_ (date). I/we hereby declare that the documents of title delivered by me/us to the Bank are original title deeds and there are no other documents of title as to date in my/our possession or at my/our command.
- d) That neither I/We nor any of my/our successors, administrators, assignee(s) and/or the legal heirs / representatives, nominees of the parties hereto do not have or shall not have any right to object to and/or challenge the charge created by me/us on \_\_\_\_\_ over the scheduled property in favour of the Bank.
- e) I/we hereby declare that there are no subsisting charges/encumbrances on the scheduled property and I/we have not

done any act which would affect our title to the scheduled property or the security created by me/us in favour of the Bank.

- f) I/we hereby declare that the scheduled property is not subject to any attachment orders on account of taxes, inter alia, including income tax/sales tax/property tax/service tax or any other levy, penalty of any nature whatsoever.
- g) *That I/We declare that pursuant to the execution of the agreement of sale dated \_\_\_\_\_ in my/our favour, the sole and exclusive right, title and interest and the right to use and occupy the scheduled property stands vested in me/us and I/We hereby indemnify the Bank against any doubt and/or encumbrance in respect of my/our title over the said scheduled property and shall keep indemnified the Bank and/or anybody claiming through it against any claims, demands, actions, proceedings, losses, damages, recoveries, judgements, charges, lien, encumbrance (by way of sale, exchange, mortgage, gift, trust, possession, easement, lease, lien or lis-pendence or attachment either before or after judgement or other encumbrances etc.) that may or may not be reflected in the records of the competent Sub-Registrar of Assurances and expenses, and third party claims/proceedings, Notices, Injunctions from any Courts of Law restraining the Bank from enjoying the quiet, vacant and peaceful possession of the said scheduled property and keep the Bank indemnified against any act, deed by person(s) whomsoever by which the Bank may incur damages or suffer on account of any claim being made and established by any person or persons found interested in the said scheduled property hereunder written or any part thereof including proportionate / or partial interest in the said scheduled property.*
- h) *I/We undertake to deposit and keep deposited with the Bank such sum of money as payable towards the loan installments or approved securities including the Membership / Share Certificate when issued and any other title deeds of the said scheduled property which may come in my/our possession, (including the title deeds detailed in Schedule-II hereunder written) with the Bank for due fulfillment and discharge of my/our obligations towards the Bank in respect of or in connection with finance availed by me/us.*
- i) *I/We authorize the Bank to take such steps to secure its dues which remain payable and outstanding from the me/us in the event of default, at any time*

*and from time to time as it may deem necessary in its discretion including to protect/or to dispose off and sell the said scheduled property.*

j) *I/We hereby undertake not to hold the Bank responsible or liable for any loss or damage which I/We may suffer as a result of any act of omission and/or commission amounting to negligence or default on the part of the said Builder/Society or the previous owner of the said scheduled property.*

k) I/we are aware that the Bank has believed on the declarations made by us in this affidavit and on the basis of the declarations made by me/us, has agreed to grant finance for acquisition of the scheduled property. I/we am/are aware that appropriate civil/criminal proceedings can be initiated against me/us if it turns out that the declarations/representations made by me/us hereinabove turn out to be incorrect, false or misleading.

**SCHEDULE I**

[See Para (a)]

(Detailed description of the property for which loan is granted)

**SCHEDULE II**

[See Para ( h )]

(Description of Title Deeds)

X. ....

XI. ....

XII. ....

**Place:**

**Date:**

**Signature**

(1)

(2)

(3)

## VERIFICATION

- I/we, (1) (name and detailed address of the borrower)  
(2) (name and detailed address of the borrower)  
(3) (name and detailed address of the borrower)

the borrower(s) solemnly verify that the contents of the above paragraphs are true to my/our knowledge.

Signed and verified at \_\_\_\_\_ (place) on \_\_\_\_\_ day of \_\_\_\_\_.

*Place:*

*Signature*

Date:

(1)

(2)

(3)

**SBI Happy-Home Loan Offer & SBI Lifestyle Loan**  
**(Growth Stimulus Schemes)**

**1. SBI Happy-Home Loan offer -**

With a view to stimulating growth in residential real estate and related sectors in the economy, it has been decided to provide an enabler to the genuine needy buyers to buy dwelling units by freezing interest rate at 8% p.a. for a period of one year from the date of disbursement on new Home Loans including SBI Special Home Loans scheme.

Details of the scheme are as under -

Name	SBI Happy-Home Loan Offer
Eligibility	All Home Loans to public including takeovers sanctioned on or after 1 <sup>st</sup> May 2009 and at least partially disbursed on or before 30 <sup>th</sup> September 2009. Loans sanctioned under SBI Special Home Loan Scheme are also eligible. However takeover of loans is not permitted under SBI Special Home Loan scheme.
Interest rate	8.00% p.a. (Fixed) upto 12 months. (Discretionary or non-discretionary concessions <b>not</b> allowed in 8% interest rate)
Interest rate Freeze Period	12 Months
Terms of reset at the end of freeze period	Regular contracted interest rate will be applicable, i.e. Spreads below/above SBAR as applicable on the date of sanction in case of floating rate, and applicable fixed rate on the date of sanction in case of Fixed interest rate loans. In the case of SBI Special Home Loan scheme interest rate and reset period will be the same as per the extant instructions, i.e. reset period 5 years <b>from the date of sanction</b> and interest rates of 8.5%/9.25% p.a. as applicable depending on the loan amount. Permissible discretionary / non-discretionary concessions below card rate may be given for interest applicable after freeze period mentioned above.
Repayment schedule	If moratorium period is less than 12 months then EMI1 at 8% p.a. to be specified from the EMI1 start month upto 12 <sup>th</sup> month. There after EMI2 at regular interest rate to be calculated on the basis of outstanding balance and remaining term of the loan. Moratorium period, no. of EMI1, no. EMI2 should add up to the total loan period.
Eligible loan amount	<b>Eligible loan amount to be worked out on the basis of EMI2 mentioned above calculated at regular contracted rate applicable after interest rate freeze period.</b>
Processing fee	Fully waived during the offer period.

Format of arrangement letter for SBI Happy Home Loan Offer is enclosed at Annexure 'A'.



## 2. SBI Lifestyle Loan for existing Home Loan customers -

**Purpose** -To meet any short term expenditure, except speculative investments, which adds comfort to the life style of the borrower with satisfactory repayment record. (Vacation travel, purchase of Gold, Lifestyle goods to be used as selling points and the Circles may explore tie-ups with reputed travel houses, lifestyle product companies for discounts to our customers during the offer period).

**Eligibility** - Home Loan Customer with satisfactory repayment record. Property should have been duly mortgaged in favour of the Bank , repayment of EMI should have commenced and minimum 5 EMIs should have been paid and account should be standard.

Loan may be availed by the Home Loan borrower or by the spouse of the Home Loan borrower if the Home Loan borrower guarantees the loan.

**Loan amount** - 10% of the total sanctioned limit for Home Loan. Minimum Rs.10,000, Maximum Rs.5 Lacs. (Loan should not be sanctioned if 10% of original limit is less than Rs.10,000/- . In case of borrower having more than one Home Loan account, limits of all such accounts may be added up before arriving at the loan eligibility)

**Number of maximum permissible concurrently running loans under the scheme**  
- One

**Interest rate** - 8% p.a. (Fixed) for 12 months. Thereafter, interest rate o SBI Lifestyle loan will be as same as that applied on the Home Loans of respective borrowers.

EMI for the loan may be calculated with the help of EMI Calculator for SBI Lifestyle Loan available on SBI Times. Format of offer letter to be sent to Home Loan borrowers, modified in accordance with revised instructions is furnished at Annexure B.

**Loan tenor** - 24 months

**Type of facility** - Demand Loan

**Repayment** - Through EMIs.

**Modality** - Offer letters (Format Furnished at **Annexure B**) to be sent to Home Loan Borrowers who satisfy the eligibility criteria.

**Processing fee** - NIL

**Sanctioning authority** - Home Branch

**Documentation** - Acceptance of offer, DP Note, DP Note Delivery letter, Guarantee Agreement (wherever applicable), PDCs/SI for repayment..

**TAT** - Same day

**Validity of the offer** - loan should be disbursed on or before 30<sup>th</sup> September 2009.

**Disbursement** - SBI Lifestyle Loan account should be opened with the existing Home Loan CIF of the customer. Amount to be disbursed in the Savings Bank /Current account of the borrower maintained with us / or through Prepaid Cards.

## Arrangement Letter – SBI Home Loan

STATE BANK OF INDIA

To

.....BRANCH

Shri/Smt./Kum.

.....

1).....

2).....

Date :

Dear Sir/Madam,

**SBI Happy-Home Loan****HOME LOAN : Rs. \_\_\_\_\_**

We are pleased to advise that on the basis of documents submitted by you and the information furnished by you in your application for Home Loan dated ....., we have decided to sanction a Home Loan limit of Rs.....

(Rupees.....only) to you, as per the undernoted break-up –

(i) Home Loan - Rs. \_\_\_\_\_

(ii) Funding of Home Loan Insurance Cover (Optional) - Rs. \_\_\_\_\_

Total - Rs. \_\_\_\_\_

on the following terms and conditions –

2. **Purpose -**

(i) The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land/purchase of consumer durables/furnishings/takeover of Home Loan (hereinafter referred to as the 'project') as described below -

.....

(ii) Premium of Home Loan Insurance cover (Optional) - Rs. \_\_\_\_\_

3. **Margin :** % of the total cost of the project.

4. **Interest :** Interest will be charged at the rate mentioned below on daily outstanding debit balance in your account at monthly rests -

**1. Rate -**

1. **SBI Happy-Home Loan offer valid only if at least partial disbursement of loan is availed on or before 30<sup>th</sup> September 2009 - 8% p.a. (Fixed) for 12 months.**

**Thereafter, the interest rate will as per regular rates mentioned at (b) or (c) as under -**

2. **Floating Rate of Interest (Strike off, if not applicable) :-**

Interest on the loan will be charged at .....% p.a. (here-in after referred to as **spread**) above/below State Bank Advance Rate (SBAR) which is currently .....% p.a. (the current effective rate being .....% p.a.). The rate of interest is subject to revision from time to time due to (i) changes in SBAR or

(ii) revision even without change in SBAR. You shall be deemed to have the notice of changes in the rate of interest in tandem with the changes in SBAR or change in interest rates without change in SBAR are either displayed on the Notice Board of the Branch or published in news papers/Bank's website etc. or made through entries of the interest rate charged in the passbook/statement of account furnished to you and you are liable to pay interest at such revised rate from its effective date.

**Spread** mentioned above consists of the following components -

<b>Component of interest rate spread</b>	<b>Amount</b>	<b>Validity period</b>
Spread as per SBI Interest rate card		Throughout loan tenor
<b>Add Concession</b>		
<b>Add Special concession, if any</b>		
<b>Less Premium, if any</b>		
<b>Net spread</b>		

3. **Fixed Rate of Interest (Strike off, if not applicable) :-**

.....% p.a. subject to **interest rate reset at the end of every \_\_\_\_\_ (two/five) years** on the basis of fixed interest rates prevailing at the time of reset. Fixed interest rate is also subject to force-majeure clause.

Fixed interest rate has been arrived at as under -

<b>Component of fixed interest rate</b>	<b>Value</b>	<b>Validity period</b>
Card rate		Till next reset date
<b>Less Concession</b>		
<b>Less Special concession, if any</b>		
<b>Add Premium, if any</b>		
<b>Effective rate</b>		Till next reset date

4. **Concession for maintaining salary account\*** - Concession of \_\_\_% p.a. is included in the above mentioned interest rate on account of maintenance of your salary account with our Bank. This will be referred as Salary Account concession in this document. **\*(Strike Off, if not applicable)**

5. **Borrower's obligation for continuation of Salary Account concession** - In the circumstances like change of job etc., where in salary is not credited by your employer to your account maintained with us, you would be required to issue Standing Instructions to the salary account servicing bank to transfer entire salary credit to your account maintained with us for continuation of Salary Account concession mentioned above. For the limited purpose of continuation of concessions in interest rates, your account with us under this arrangement will be reckoned as *pseudo-salary account*

6. **Withdrawal of Salary Account Concession** - In the event of discontinuation of salary account/pseudo-salary account with us, the Bank shall have the right to withdraw the Salary Account concession mentioned above, and the interest rate shall be revised accordingly.

7. SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period

of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exist or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.

In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

5. **Repayment :**

The loan is to be repaid by you as strictly as per the undernoted schedule -

	Number of months	Amount
(i) Moratorium\$ period (no. of months)		As stipulated at para (13 )
(ii) <i>Equated Monthly Installments (EMIs) at SBI Happy-Home Loan interest rate</i>		Rs.
(iii) <i>Equated Monthly Installments (EMIs) at regular interest rate</i>		Rs.
(iv) Lump sum repayment		Rs.
Total period (i)+(ii)+(iii)+(iv)		-----

The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.

\$ Moratorium period is the period, starting from the date of first disbursement, during which repayment of principal and/or interest may not be stipulated. Please note that interest is applied to the account on the basis of balance outstanding in the account, during the moratorium period.

EMI payment shall begin from the next month after completion of moratorium period.

In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

6. **Penal Interest** - Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty, the rate of which shall be at the discretion of the Bank , for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

**7. Pre-closure Charges**

*Loans on Fixed and Floating rate of interest :*

Pre-closure charge of 2% of the amount pre-paid in excess of normal EMI dues will be levied in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

**8. Security :**

The loan will be secured by :

- a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ for which the loan has been sanctioned, valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_}S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.
- b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.
- c) Third Party Guarantee of .....
- d) .....

**9. Utilisation of the loan :**

The amount of the loan shall be utilized strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

**10. Insurance :**

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower. Cost of the same shall be borne by you.

11. **Inspection :**

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

12. **Legal expenses etc. :**

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premia, stamp duty, registration charges and other incidental expenses incurred in connection with the loan shall be borne by you. Periodic reassessment, if any, of the value of the property funded through this loan for the purpose of regulatory compliances shall be done at your cost.

13. **Pre-EMI interest :**

**Capitalization of pre-EMI interest\***

The loan amount will be fixed suitably taking into account the approximate pre-EMI interest during the moratorium period, duly compounded at the applicable interest rate (worked out on the presumption that the loan is disbursed in lump sum on the date of first disbursement). The computation of the total loan amount (i.e. actual loan plus pre-EMI interest) will be subject to fulfilment of income criteria eligibility and also subject to the extant instructions regarding Equated Monthly Instalment/Net Monthly Income. Please execute check-off authority with your employer/ tender post-dated cheques towards the EMIs of the loan amount. After completion of the moratorium period, you will have an option to request to reset EMI based on the actual outstandings in the loan account after final disbursement, subject to submission of revised check-off authority or tendering post dated cheques towards the EMIs so arrived at.

**Servicing of pre-EMI interest\***

Please tender post dated cheques drawn at monthly intervals for servicing of the amount of pre-EMI interest applied per month during the moratorium period.

(\* score off whichever is not applicable)

14. **Disbursement :**

The loan will be disbursed only on the following conditions :

- a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank.
- b) All the security documents prescribed below have been executed by you/co-applicant (s)/ guarantor(s) -

1. Loan agreement
2. Affidavit
- 3.
- 4.

- c) The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in installments)

Stage	Amount (Rs.)
-------	--------------

- i)
- ii)
- iii)

- d) You will have to bring in proportionate margin at each stage of disbursement. Disbursement will be made in favour of the seller/builder from whom you are buying the property funded through this loan/in favour of the Financial Institution from where your loan is being taken over.

15. The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.
16. The Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by you, and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.
17. The Bank shall have the authority to disclose/share your Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to you and the nature of the securities given by you, the guarantees furnished to secure the said loans whether fund based or non-fund based, your creditworthiness and any other information which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies, and the Bank shall not be liable in any manner to you for providing the information as aforesaid to the Information Company.
18. Please arrange to submit duly signed copy of this letter as a token of acceptance of the arrangement within \_\_\_\_ days from the date of this letter.

**Yours faithfully,**

**Asst. General Manager/Chief Manager/Branch Manager**

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter. I/We wish to avail\* / do not wish to avail\* loan for funding of premium of Home Loan Insurance cover. (\*strike off whichever is not applicable).

**Borrower(s)**

Date & Place

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

**Guarantor(s)**

Date & Place

\*\*\*\*\*



**To : Customer name & Address**

**Ref.-**

**Date :**

**Dear Sir/Madam,**

**SBI Lifestyle Loan**

We thank you for choosing SBI Home Loan to acquire your Dream Home. After such a major purchase, many of us share a common compulsion to postpone the LifeStyle aspirations of our beloved ones for a while till the savings build up again. We, at SBI Home Loans, thought of reducing this waiting period for our customers with the approach that money can always be borrowed and repaid but that is not true of time. With a view to enabling you to catch that moment of happiness **in time**, we are making a special offer. Accordingly, we offer you an absolutely hassle-free *SBI Lifestyle loan* as under -

**Loan amount** - Upto Rs.

**Type of facility** - Demand Loan

**Interest rate** - 8% p.a. (Fixed) for 12 months

\_\_\_\_\_ % p.a.(Fixed) or \_\_\_\_\_ % below State Bank Advance Rate , SBAR (Floating, i.e. falling or rising with reduction or increase in SBAR), present effective rate being \_\_\_\_\_ % p.a, thereafter for the remaining loan period.

Interest will applied to your account on daily reducing balance at monthly rests.

**Loan period** - upto 24 months

**Repayment** - Through EMIs as under starting from (date) \_\_\_\_\_:

No. of EMIs	EMI Amount, Rs.
First _____ EMIs	
Next _____ EMIs	

In case of default penal interest will be charged at 12.25% p.a. or State Bank Advance Rate whichever is higher, for the entire outstanding till regularization of loan.

**Prepayment** - Permitted without penalty.

**Processing fee** - NIL

**Documents** - Acceptance of offer this offer duly signed by you and all co-borrowers & guarantors, if any , DP Note, DP Note Delivery letter., Guarantee Agreement (wherever applicable), 12 PDCs for payment of EMI in case you do not wish to give standing instructions for EMI repayment through your Savings/Current account with us. Your latest photograph.

**Purpose of loan** - You may use this amount for any Life Style expenditure. Use of this funds for speculative investment is prohibited.

**This offer is valid till 30<sup>th</sup> September 2009**

Please therefore call on your Home-Loan branch of SBI as under with this offer letter and Home Loan Arrangement Letter for your Home Loan with us -

(Branch address & Telephone No.s of contact persons to be furnished)

In case you do not wish to avail SBI Lifestyle loan in your name, your spouse may avail of the offer provided you guarantee the loan.

Yours faithfully,

Branch Manager

**Acceptance -**

I/We the undersigned wish to avail SBI Lifestyle Loan.

Please grant a demand loan of Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_), repayable in \_\_\_\_\_ installments (max.24) together with interest, in my/our name or in the name of my spouse Shri./Smt. \_\_\_\_\_ under my guarantee. (Strike off which ever is not applicable)

Please credit loan amount to my/our Savings Bank/Current Account No. \_\_\_\_\_ with SBI \_\_\_\_\_ branch. I/We undertake that I/We shall not use these funds for purpose of speculative investments.

We understand that only one loan under this scheme is allowed by SBI, and accordingly assure you that we do not have a outstanding loan under this scheme.

Name	Related Home Loan account number	Capacity (Home Loan borrower / Guarantor for Home Loan/Spouse in case SBI Lifestyle loan is availed by spouse	Signature in full

(Latest photographs to be pasted at suitable place and signed across in the presence of Branch Manager/ Authorized Official of the Bank)

I/We understand the importance of repayment of this loan strictly as per the schedule prescribed, as the asset classification of my/our Home Loan account is dependent on the asset classification of this loan.

In case the above mentioned Home Loan account(s) are closed before completion of repayment of this loan together with interest and charges, we authorize SBI to keep custody of Title Deeds deposited for the purpose of Equitable Mortgage till repayment of outstanding together with interest under this loan by us.

Date -

Place -

**For Office use**

Identity of the borrowers/guarantors/spouse of the Home Loan borrower mentioned above established with the help of the following -

1. Signatures available on CBS signature module
- 2.
- 3.

Home Loan account No. -

Original limit -

Home Loan CIF No. \_\_\_\_\_ (Same CIF to be used for SBI Lifestyle loan)

This branch is Home branch for Home Loan account mentioned above. Home Loan account is standard and the borrower fulfils the eligibility criteria for SBI Lifestyle Loan.

Documents prescribed as under to be obtained -

1. DP Note & DP Note Delivery letter
2. PDCs/ SI as per repayment schedule given below.
- 3.

Sanctioned a Demand Loan of Rs. \_\_\_\_\_ repayable in \_\_\_\_\_EMIs of Rs.\_\_\_\_\_ starting from (date) \_\_\_\_\_.

Place-

Date -

Branch Manager

**Disbursement details**

Documents prescribed in the sanction obtained.

Demand loan account opened with the same CIF as in Home Loan of the customer.

DL A/C No. \_\_\_\_\_

Credit A/C no. :

Place -

Date -

Disbursement Authority

\*\*\*\*\*

### SBI EASY HOME LOAN

It has been decided to launch the undernoted product with effect from 1<sup>st</sup> July 2009. The product is designed to address the customers' need for Home Loan at affordable interest rates and a fair amount of certainty about loan repayment obligations over a period of time.

Special features of the product are as under -

Name	SBI Easy Home Loan																							
Facility Type	Term Loan or OD as in SBI MaxGain. (OD facility will be available for loans above Rs.5 Lacs.)																							
Loan amount	Upto (and including) Rs.30 Lacs																							
Interest rate	<ol style="list-style-type: none"> <li>1. Interest rate <i>during the first year</i> (i.e. till first anniversary date from the date of first disbursement) is Fixed at 8% p.a.</li> <li>2. Interest rate <i>during next two years</i> is Fixed at 9 % . p.a</li> <li>3. Interest rate <i>after three years</i> may be Fixed or Floating as per the borrower's choice <i>made at the time of sanction</i>. If floating rate option is chosen, then the rate will be 2% below SBAR. If fixed rate option is chosen, then the rate will be 1% below SBAR prevailing on the third anniversary date from the date of first disbursement, and shall have a reset frequency of 5 years from the third anniversary date of the loan. Fixed interest rate shall be subject to force-majeure clause.</li> <li>4. Concessions including discretionary concession, if any, will be available only on interest rate applicable after three years.</li> </ol>																							
Repayment programme	<p>If interest rate during the first year is X%, interest rate during next two years is Y%, and interest rate after three years is Z% , and loan period is T months then</p> <p>The parameters used for computation of EMI will be as under -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Period</th> <th style="width: 10%;">EMI</th> <th style="width: 30%;">Principal</th> <th style="width: 15%;">Interest rate, % p.a.</th> <th style="width: 25%;">Term. In months</th> </tr> </thead> <tbody> <tr> <td>First 12 months</td> <td>EMI1</td> <td>Full loan amount.</td> <td>X%</td> <td>T</td> </tr> <tr> <td>Next 24 months</td> <td>EMI2</td> <td>Balance outstanding at the end of 12<sup>th</sup> month</td> <td>Y%</td> <td>T-12</td> </tr> <tr> <td>Remaining Loan period</td> <td>EMI3</td> <td>Balance outstanding at the end of 36<sup>th</sup> month</td> <td>Z%</td> <td>T-36</td> </tr> </tbody> </table> <p>Note - EMI Calculator for SBI Easy Home Loan &amp; SBI Advantage Home Loan will be made available for this purpose through SBI Times.</p>				Period	EMI	Principal	Interest rate, % p.a.	Term. In months	First 12 months	EMI1	Full loan amount.	X%	T	Next 24 months	EMI2	Balance outstanding at the end of 12 <sup>th</sup> month	Y%	T-12	Remaining Loan period	EMI3	Balance outstanding at the end of 36 <sup>th</sup> month	Z%	T-36
Period	EMI	Principal	Interest rate, % p.a.	Term. In months																				
First 12 months	EMI1	Full loan amount.	X%	T																				
Next 24 months	EMI2	Balance outstanding at the end of 12 <sup>th</sup> month	Y%	T-12																				
Remaining Loan period	EMI3	Balance outstanding at the end of 36 <sup>th</sup> month	Z%	T-36																				
Eligible loan amount	For the purpose of loan eligibility based on EMI/NMI ratio, EMI3 mentioned above, i.e. EMI for the loan period after 36 months should be used. For this purpose, EMI3 will be arrived at using																							

	SBAR as on the date of sanction.
Processing Fee	Fully waived upto 30 <sup>th</sup> September 2009.
Documents	Arrangement letter and Home Loan Agreement for SBI Easy Loan scheme are enclosed at Annexures A & B respectively.
CBS Product codes	6250-2060 SBI Easy Fixed Interest Rate (TL) 6250-2160 SBI Easy Floating Rate (TL) 6050-2015 SBI Easy (OD)

## Arrangement Letter – SBI Easy Home Loan

STATE BANK OF INDIA

To

.....BRANCH

Shri/Smt./Kum.

.....

1).....

2).....

Date :

Dear Sir/Madam,

**SBI Easy Home Loan****HOME LOAN : Rs. \_\_\_\_\_**

We are pleased to advise that on the basis of documents submitted by you and the information furnished by you in your application for Home Loan dated ....., we have decided to sanction a Home Loan limit of Rs.....

(Rupees.....only) to you, as per the undernoted break-up -

(i) Home Loan - Rs. \_\_\_\_\_

(ii) Funding of Home Loan Insurance Cover (Optional) -

Rs. \_\_\_\_\_

Total - Rs.

on the following terms and conditions -

2. **Purpose -**

(i) The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land/purchase of consumer durables/furnishings/takeover of Home Loan (hereinafter referred to as the 'project') as described below -

.....

(ii) Premium of Home Loan Insurance cover (Optional) - Rs. \_\_\_\_\_

3. **Margin :** % of the total cost of the project.

4. **Interest :** Interest will be charged at the rate mentioned below *on daily outstanding debit balance in your account at monthly rests -*

**Rate -**

a) Interest rate *during the first year* (till anniversary date of the customer loan) *from the date of disbursement* will be \_\_\_\_ p.a. (Fixed). Loan period will be calculated from the date of first disbursement.

b) Interest rate *during next two years* will be \_\_\_\_ p.a. (Fixed)

c) Interest rate after completion of *three years* will be as under -

1. **Floating Rate of Interest\* (\*Strike off if not applicable): -**

Interest on the loan will be charged at \_\_\_\_ (here-in after referred to as **spread**) above/below State Bank Advance Rate (SBAR) . The rate of interest will be subject to revision from time to time due to (i) changes in SBAR and (ii) revision, if any, necessitated by policies of Government of India/Reserve Bank of India.

You shall be deemed to have the notice of changes in the rate of interest in tandem with the changes in SBAR or change in interest rates without change in SBAR if the interest rates are either displayed on the Notice Board of the Branch or published in news papers/Bank's website etc. or made through entries of the interest rate charged in the passbook/statement of account furnished to you and you are liable to pay interest at such revised rate from its effective date.

**Spread** mentioned above consists of the following components -

Component of interest rate spread	Amount	Validity period
Spread as per SBI Interest rate card	2%	Throughout loan tenor
Add Concession		
Add Special concession, if any		
Less Premium, if any		
<b>Net spread</b>		

2. **Fixed Rate of Interest\* (\* Strike Off if not applicable) :-**

1% below SBAR p.a. prevailing on the date of reset after initial 36 months. Thereafter, the fixed interest rate will be subject to **reset at the end of every five years**. Reset period will be calculated from the date of application of Fixed Rate of Interest.

Fixed interest rate has been arrived at as under -

Component of fixed interest rate	Value	Validity period
Card rate		Till next reset date
Less Concession		
Less Special concession, if any		
Add Premium, if any		
<b>Effective rate</b>		Till next reset date

Fixed interest rate is also subject to force-majeure clause.

iii.

a) **Concession for maintaining salary account\*** - Concession of \_\_\_% p.a. is

i. included in the above mentioned interest rate on account of maintenance of your salary account with our Bank. This will be referred as Salary Account concession in this document. **\*(Strike Off, if not applicable)**

b) **Borrower's obligation for continuation of Salary Account concession** - In the circumstances like change of job etc., where in salary is not credited by your employer to your account maintained with us, you would be required to issue Standing Instructions to the salary account servicing bank to transfer entire salary credit to your account maintained with us for continuation of Salary Account concession mentioned above. For the limited purpose of continuation of concessions in interest rates, your account with us under this arrangement will be reckoned as *pseudo-salary account*

c) **Withdrawal of Salary Account Concession** - In the event of discontinuation of salary account/pseudo-salary account with us, the Bank shall have the right to withdraw the Salary Account concession mentioned above, and the interest rate shall be revised accordingly.

- d) SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.

In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

5. **Repayment :**

The loan is to be repaid by you as strictly as per the undernoted schedule -

	Number of months	Amount
(i) Moratorium\$ period (no. of months)		As stipulated at para (13 )
(ii) Equated Monthly Installments (EMIs) at 8% p.a. interest rate		Rs.
(iii) Equated Monthly Installments (EMIs) at 9% interest rate		Rs.
(iv) Equated Monthly Installments (EMIs) at interest rate mentioned at para 4(c)above**.		
(iv) Lump sum repayment		Rs.
Total period (i)+(ii)+(iii)+(iv)		

\*\*EMI calculation is based on present SBAR and spreads mentioned above.

EMI payment shall begin from the next month after completion of moratorium period.

The Bank reserves the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.

\$ Moratorium period is the period, starting from the date of first disbursement, during which repayment of principal and/or interest may not be stipulated. Please note that interest is applied to the account on the basis of balance outstanding in the account, during the moratorium period.

6. **Interest rate in case of default** - Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a



period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

**7. Pre-closure Charges**

*Loans on Fixed and Floating rate of interest :*

Pre-closure charge of 2% of the amount pre-paid in excess of normal EMI dues will be levied in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

**8. Security :**

The loan will be secured by :

- a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ for which the loan has been sanctioned, valued at Rs.\_\_\_\_\_belonging to Shri/Smt./Kum.\_\_\_\_\_}S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.
- b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs.\_\_\_\_\_ belonging to Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum.\_\_\_\_\_S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.
- c) Third Party Guarantee of .....
- d) .....

**9. Utilisation of the loan :**

The amount of the loan shall be utilized strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

**10. Insurance :**

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower. Cost of the same shall be borne by you.

**11. Inspection :**

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

12. **Legal expenses etc. :**

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premia, stamp duty, registration charges and other incidental expenses incurred in connection with the loan shall be borne by you. Periodic reassessment, if any, of the value of the property funded through this loan for the purpose of regulatory compliances shall be done at your cost.

13. **Pre-EMI interest :**

**Capitalization of pre-EMI interest\***

The loan amount will be fixed suitably taking into account the approximate pre-EMI interest during the moratorium period, duly compounded at the applicable interest rate (worked out on the presumption that the loan is disbursed in lumpsum on the date of first disbursement). The computation of the total loan amount (i.e. actual loan plus pre-EMI interest) will be subject to fulfilment of income criteria eligibility and also subject to the extant instructions regarding Equated Monthly Instalment/Net Monthly Income. Please execute check-off authority with your employer/ tender post-dated cheques towards the EMIs of the loan amount. After completion of the moratorium period, you will have an option to request to reset EMI based on the actual outstandings in the loan account after final disbursement, subject to submission of revised check-off authority or tendering post dated cheques towards the EMIs so arrived at.

**Servicing of pre-EMI interest\***

Please tender post dated cheques drawn at monthly intervals for servicing of the amount of pre-EMI interest applied per month during the moratorium period.

(\* score off whichever is not applicable)

14. **Disbursement :**

The loan will be disbursed only on the following conditions :

- a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/ Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank.
- b) All the security documents prescribed below have been executed by you/co-applicant (s)/ guarantor(s) -

i. Loan agreement

ii. Affidavit

iii.

15. The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in installments)

	Stage	Amount (Rs.)
i)		

- ii)
- iii)
- 16. You will have to bring in proportionate margin at each stage of disbursement. Disbursement will be made in favour of the seller/builder from whom you are buying the property funded through this loan/in favour of the Financial Institution from where your loan is being taken over.
- 17. The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other statutory authorities in respect of this transaction.
- 18. The Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by you, and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.
  
- 19. The Bank shall have the authority to disclose/share your Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to you and the nature of the securities given by you, the guarantees furnished to secure the said loans whether fund based or non-fund based, your creditworthiness and any other information which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies, and the Bank shall not be liable in any manner to you for providing the information as aforesaid to the Information Company.
  
- 20. Please arrange to submit duly signed copy of this letter as a token of acceptance of the arrangement within \_\_\_\_ days from the date of this letter.

**Yours faithfully,**

**Asst. General Manager/Chief Manager/Branch Manager**

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter.

I/We wish to avail\* / do not wish to avail\* loan for funding of premium of Home Loan Insurance cover. (\*strike off whichever is not applicable).

**Borrower(s)**

Date & Place

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

**Guarantor(s)**

Date & Place

(SPECIMEN OF MEMORANDUM OF LOAN AGREEMENT FOR  
SBI EASY HOME LOAN)

TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE WITH THE STAMP ACT  
IN FORCE IN THE STATE IN WHICH THE DOCUMENT IS EXECUTED AND NOT  
TO BE ATTESTED

To

STATE BANK OF INDIA

.....

PLACE :

DATE :

Dear Sirs,

Whereas, State Bank of India, a body corporate constituted under State Bank of India Act 1955, having its Corporate Centre at Madame Cama Road, Nariman Point, Mumbai-400 021 having one of its Branch Offices at.....(hereinafter called the "the Bank" which expression shall include its successors and assigns) having, at my/our request {.....Son/Daughter/Wife of.....at present aged ..... around.....and ..... residing at.....and.....Son/Daughter/Wife of.....at present aged around ..... and residing at.....(hereinafter, called "the Borrower" which expression shall include his/her respective heirs, executors, administrators and assigns)} granted me/us \*Home Loan limit / 'SBI-Maxgain'(on Overdraft basis) / of Rs.....(Rupees ..... ) for purchase/construction of a flat/house/ plot of land or for extension/repairs/ renovations of an existing house/flat/purchase of consumer durables and furnishings/funding of Home Loan insurance cover (hereinafter referred to as the 'project'), situated at .....

(\*Delete whichever is not applicable)

2. In consideration of the grant of the said advance and continuance of the said facility for such time as the Bank may deem fit, I/we, "the Borrower(s)" do hereby irrevocably and unconditionally agree and undertake, so as to bind myself/ourselves, my/our heirs, executors, administrators, estates, assigns and effects as follows, viz.
  - a) The disbursement of the amount of the loan shall be at the Bank's absolute discretion and shall be co-related to the actual progress in the construction of the project. Such disbursements shall be made by means of Bankers cheques drawn in favour of the builders/promoters duly authorized or to engineer/architect/contractor or to suppliers of goods and services when the construction is undertaken by the Borrower and instruct you to make payment for the purpose of the 'project'. The Bank may, at your discretion and at my/our request credit a part of the loan amount to my/our current/savings bank account (maintained in single or joint names) to enable me/us to make payments to suppliers of goods and services. I/We shall submit to the Bank, within a reasonable time, satisfactory proof of the proper utilisation of the amount of the loan, such as Architect's certificate, certifying the value of the work carried out, Contractor's bills, stamped receipts, sale agreement for house/flat etc. If considered necessary by the Bank, I/we shall produce, at my/our cost,

photographs showing the progress of construction work carried out by me/us , which photographs besides showing portion of the neighbouring properties, shall be certified by persons whose certificates are acceptable to the Bank.

b) I/We shall repay the amount of loan as per the terms stipulated in the *arrangement/sanction letter dated \_\_\_\_\_* duly accepted by me/us, which forms part of this Agreement, in equated monthly installments of Rs..... each till the entire loan with interest is fully repaid. The equated monthly installments also include interest component. The Bank shall levy pre-closure charges of 2% of the amount prepaid in excess of normal EMI dues in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

4. Interest rate *during the first year* (till anniversary date of the loan) from the date of disbursement is Fixed at \_\_\_\_ p.a..

5. Interest rate *during next two years* is Fixed at \_\_\_\_ p.a.

6. Interest rate *after three years will be*

Loan on fixed interest basis\*

(\*delete if not applicable)

Interest on the amount of the loan will be fixed at the rate \_\_\_\_ below SBAR prevailing on the date of reset. The rate will be fixed for **Five** years from the date of reset, and shall be subject to force-majeure clause. Interest rate will be reset thereafter at a frequency of Five years. Interest will be calculated at this rate on *daily reducing balance with monthly rests*. Bank may at its discretion stipulate the periodicity of computation of interest. Further, Bank may at its sole discretion alter the rate of interest suitably and *prospectively* in the event of major volatility in interest rates or due to any reason whatsoever during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. Bank shall be the sole judge to determine whether such conditions exist or not. If we are not agreeable to the revised interest rates so fixed, I/We shall request the Bank, within 15 days of receipt of the notice intimating changed interest rates from Bank to terminate the Loan and shall repay the Loan and any other amount due to Bank in full and final settlement in accordance with the provisions of this Agreement relating to prepayment

Loan on floating\* interest rate basis

(\*delete if not applicable)

Interest on the amount of the loan will be applied at the **rate of .....per cent above/below** State Bank Advance Rate hereinafter referred to as **SBAR which is presently \_\_\_\_\_ % p.a.** Floating interest rate will rise and fall with the SBAR. Interest will be calculated on the daily balance of

the loan amount and applied at monthly rests. Provided that the Bank shall at any time and from time to time be entitled to change the rate of interest depending on changes in SBAR. Notwithstanding the above the Bank is also entitled to revise the rate of interest, at its sole discretion, even if there is no change in SBAR and such revised rate of interest shall always be construed as agreed to be paid by the borrower(s) and hereby secured. Borrowers shall be deemed to have notice of change in the rate of interest whenever the changes in SBAR or increase in interest rates without any change in SBAR are either displayed/notified at/by the branch or published in newspaper or made through entry of interest charged in the passbook/statement of accounts sent to the borrower(s).

Salary account concession \$  
( delete, if not applicable)

I/We declare and confirm that in the circumstances like change in job etc., wherein the salary is not credited by my/our employer to account maintained with the Bank, I/We undertake to advise such development to the Bank, further I/We would issue standing instructions to the salary account servicing bank to transfer entire salary credit to my/our account maintained by the Bank for continuation of Salary Account Concession as mentioned above and for the limited purpose of continuation of concessions in interest rates, my /our account with the Bank under the arrangement will be reckoned as pseudo-salary account.

I/We further agree and confirm that in the event of discontinuation of my/our salary account/pseudo-salary account with the Bank, the Bank shall have the right to withdraw the salary account concession and the Bank shall have the right to revise the interest rate accordingly and I/We will not raise any objection /dispute to the said action of the Bank".

Without prejudice to the Bank's other rights and remedies, the Bank shall be entitled to charge at its own discretion enhanced rates of interest on the outstanding in the loan account (s) or a portion thereof for any default or irregularity on my/our part which in the opinion of the Bank warrants charging of such enhanced rates of interest for such period as the Bank may deem fit. The Equated Monthly Instalments will have to be paid till the entire loan and the interest is fully repaid. Further, the amount of Equated Monthly Instalment may change/increase as may be decided by the Bank.

**Interest rate in case of default** - Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if

the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate – Rs.250/- for every bounced cheque)

- c) If the loan amount has been utilised by me/us for purchase of ready built house/flat, I/we shall pay the first such monthly instalment following the month in which the loan amount is disbursed to me/us. The subsequent monthly instalments shall be paid before the last day of each subsequent month. If the loan amount has been utilised for construction of / additions to house/flat, I/we may be permitted to pay the first such monthly instalment till 2 months after the month in which the house/flat has been completed or on the expiry of 18 months from the date of disbursement of the first instalment, whichever may be earlier. The subsequent monthly instalments will be paid before the expiry of each subsequent month.
- d) Pre-EMI interest :
- (i) \* I/We have opted for servicing of Pre-EMI interest and have already delivered or hereby undertake to deliver post-dated cheques drawn at monthly intervals for servicing of the amounts of Pre-EMI interest during the moratorium period.
- (ii) \* I/We have opted for capitalizing the Pre-EMI interest and agree that *the loan amount will be fixed suitably taking into account approximate Pre-EMI interest during the moratorium period as detailed in paragraph* pertaining to the Pre-EMI interest in the Arrangement letter dated.....I/We hereby unconditionally agree to execute necessary authority in favour of my/our employer or tender post-dated cheques towards EMI's of the loan amount. If necessary I/we would request for resetting of EMI's based on the actual outstanding in the loan account after final disbursement.

(\* score off whichever is not applicable)

- e) I/We declare and confirm that the amount of the loan or the balance then outstanding shall become payable at once in case of my death or death of anyone of us. In case of death, the Bank may, at its discretion, continue the loan provided sufficient collateral security is furnished by my/our legal heirs/surviving borrower(s) or some satisfactory arrangement for repayment acceptable to the Bank has been made by my/our legal heirs/surviving borrower(s).
- f) I/We shall arrange for the payment of the equated monthly instalments from my/our monthly salary or in whatever manner deemed fit \* or by debit on the due dates from the Current /Savings Bank account with Branch/or any other Branch where I/we may hold the account singly or jointly and to appropriate the same in repayment of the said loan and interest.

I/We shall execute in favour of the Bank a letter of authority, addressed to my/our employers to recover and pay to the Bank the equated monthly instalment from my/our salary every month\*.

\* Delete if not appropriate.

- g) On demand I/We agree to deliver to the Bank post-dated cheques for the monthly instalments and warrant that the cheques will be honoured on first presentation. Any non-presentation of a cheque due to any reason will not affect my/our liability to pay the monthly instalments or any other sum. I/We agree to forthwith replace the cheques/issue fresh cheques, if required by the Bank. I/We shall not be entitled to call upon the Bank to refrain from presenting any cheque for payment and if I/we do so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under the Negotiable Instruments Act, shall apply. I/We also agree to pay a penalty as stipulated by the Bank from time to time, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable.
- h) I/We declare and confirm that on my/our retirement, the outstanding amount of the loan sanctioned to me will become repayable at once. The Bank may, at its discretion, continue the loan provided satisfactory arrangement for repayment, acceptable to the Bank has been made by me/us.
- i) In the event of cessation of my/our business/service with my/our employers by way of resignation or otherwise (except as a result of death or retirement), I/we undertake to repay to the Bank forthwith on demand the balance principal amount of the loan, or the balances then outstanding whichever is higher.
- j) In the event of my/our ceasing to be in business/service of my/our employer whether by retirement, resignation, death or by operation of law or for any other reason or cause whatsoever and howsoever the Bank shall be entitled at its discretion, to write to my/our employers to appropriate and set off (i) any amount which may then be payable by my/our employers to me/us whether by way of salary, allowances, bonus, other remuneration or any payment (whether ex-gratia or otherwise) whatsoever and (ii) any amount that may be standing to the credit of any account which I/we may have with my/our employers or with the Bank, either singly or jointly, towards repayment of the balance that may be then remaining due and payable by me/us in my/our said loan account together with interest thereon at the applicable rates upto the date of such repayment. Any such appropriation made by the Bank or my/our employers shall be conclusive and binding on me/us and my/our estate both in and out of court. In any event my/our liability to make repayment of the entire dues immediately shall remain valid till the entire amount with applicable interest as up to the date of payment has been realised by the Bank whether by way of recovery from my/our employer or otherwise.
- k) I/We will not sell assign, mortgage, charge or in any way encumber or alienate the said flat/house/land or any part thereof/consumer durables/furnishings so long as I/we am/are indebted to the Bank in the said loan account without prior permission of the Bank in writing. I/We undertake to give prior intimation to the Bank before letting out / giving on leave and licence the said flat/house. In the event of my/our account becoming irregular, NPA the Bank is at liberty to take vacant possession of building/flat/house (premises) from me/us, and hire the said premises at market rent for its commercial or residential purpose as the case



may be and adjust the proceeds of the hire charges towards outstanding of my/our loan account.

- l) The loan shall be secured by a valid equitable/legal mortgage of the land/house/flat purchased/constructed by me/us for which the Loan facility is provided by executing/registering such documents in such form as may be decided by the Bank. I/We shall, if required by the Bank, give such further security as acceptable to the Bank forthwith on demand by the Bank. In case it is not possible to create security by way of mortgage as aforesaid I/we shall forthwith on demand arrange for other collateral securities, by way of pledge/hypothecation, such as Bank's Fixed Deposits, National Savings Certificates, Kisan Vikas Patra, Life Insurance Policies, promissory notes issued by any Govt., shares or debentures of the companies, sufficient quantity of gold or gold ornaments or other articles or things acceptable to the Bank as security for the loan.  
*The loan shall also be secured by the guarantee of a person acceptable to the Bank and good for the loan amount involved and by mortgage of the guarantor's property also or pledge/assignment/hypothecation of other securities acceptable to the Bank , if need be.\*\**  
(\* Applicable in cases where Guarantee/ Charge on Guarantor's assets is stipulated in the Loan Arrangement letter.)
- m) I/We shall obtain at my/our cost and produce for the satisfaction of the Bank a certificate from the Advocate/Solicitors approved by the Bank certifying that I/we will have clear, valid and marketable title to the land/house/flat proposed to be purchased by me/us and agree that the Bank shall be entitled not to disburse any amount of the loan until such certificate has been produced by me/us.
- n) I/We shall maintain the flat/house in good tenable repair and condition at my /our cost at all times so long as I/we am/are indebted to the Bank and that I/we shall ensure that the Bank's security is not in any way jeopardised. I/we shall duly and punctually pay the charges, if any, payable to the Co-operative Housing Society/condominium association and also all the municipal/revenue taxes, charges, rates, cesses etc. from time to time payable by me/us in respect of the flat/house/land. The Bank shall be at liberty to inspect the flat/house/land at any reasonable time and I/we shall furnish all such information/particulars whatsoever as and when called upon to do so by the Bank .I/We shall provide the required no-objection consent for creating a charge on the property secured for the Loan, from the Society/Condominium or any other permissions by any authority necessary for creating the security in favour of the Bank.
- o) I/We shall at my/our cost insure and keep insured in the joint names of myself/ourselves and the Bank my/our house/flat at all times against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God for such other risks for its full market value as desired by the Bank from time to time and shall endeavour to get the building in which my/our flat is situated insured against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake, risks and other acts of God at all times by the Co-operative housing society/apartment owner/association or any other body under whose control the building is vested. I/we shall deliver copies of the insurance policies,

cover notes, premium receipts, etc., to the Bank . If I/we fail to effect such insurance the Bank will be at liberty but not obliged to insure the said house/flat against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God and debit the premium and other charges to any of my/our accounts with the Bank. I/we expressly agree and declare that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the insurance company and the insured arising from or under or in connection with any such policy or policies of insurance and such adjustment, settlement, compromise or any award made on such reference to arbitration shall be valid and binding on me/us. I/we further agree that the Bank shall have a right to receive all moneys payable under any such policy or under any claim made thereunder and to give a valid receipt therefor and that the amount so received shall be credited to my/our loan account and I/we will not be entitled to raise any question that a larger sum might or ought to have been received or to dispute my/our liability for the balance remaining due on such account after such credit.

- p) I/We agree and declare that notwithstanding anything contained herein or in any other security documents the entire amount of the loan or the balances then due shall, if so decided by the Bank, become forthwith due and payable by me/us to the Bank, upon the happening of any of the following events and the Bank shall be entitled to enforce its dues and security.
- i) any instalment of the principal remaining unpaid for a period exceeding one month after the due date for payment thereof has expired;
  - ii) any interest including penal interest remaining unpaid and in arrears for a period of one month after the same has become due whether demanded or not;
  - iii) any breach or default in the performance or observance of any of the covenants contained in these presents and/or the security documents or any other term or condition relating to the term loans;
  - iv) entering into any arrangement or composition with my/our creditors or committing any act of insolvency;
  - v) any execution or distress being enforced or levied against the whole or any part of my/our property;
  - vi) a receiver being appointed in respect of the whole or any part of my/our property;
  - vii) the occurrence of any circumstances which is prejudicial to or impairs, imperils or depreciates or which is likely to prejudice, impair, imperil or depreciate the security given to the Bank ; and
  - viii) the occurrence of any events or circumstances which prejudicially or adversely affect in any manner my/our capacity to repay the amount due under the loan.

On the question whether any of the above event/s has/have happened, the decision of the Bank shall be conclusive and binding on me/us.

Provided always that the Bank may in its discretion refrain from forthwith enforcing its rights under this Agreement in spite of the happening of the contingencies aforesaid and provided further that the failure or delay by the Bank in exercising any right, power or privilege hereunder or under any of the security documents shall not impair/extinguish the same or operate as waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies herein and in the security documents are cumulative and not exclusive of any rights and remedies provided by the law.

- q) I/We also agree that the Bank shall also be entitled to transfer loan account to any of the branches of the Bank after giving due notice to me/us.
- r) I/We shall abide by the terms and conditions of the sanction of the loan to me/us as mentioned in the arrangement letter/sanction letter which forms part of this agreement and also to the rules for such loans which are now in force and also those which may be altered, revised, amended, added from time to time by the Bank/the Reserve Bank of India/Central Government/State Government.
- The undertakings, authority and agreements herein contained shall be irrevocable so long as I/we continue to be liable to the Bank in the said loan account.
  - I/We hereby further agree that as precondition of the loan/ advance given to me/us by the Bank, that in case of default in repayment of the loan/advances or in the repayment of the interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish my/our name(s), details and photograph(s) as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
  - I/We further agree that the Bank is at liberty to disclose/share my/our Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to me/us and the nature of the securities given by me/ us, the guarantees furnished to secure the said loans whether fund based or non-fund based, my/our creditworthiness and any other manner which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies and the Bank is not liable in any manner to me/us for providing the information as aforesaid to the Information Company.
  - I/We agree that the Bank has absolute right to assign this agreement in favour of any person including securitisation company or reconstruction company under the SARFAESI Act and on such assignment, I/We will be liable to such assignee as if assignee is the Bank/lender and assignee will have all rights against me/us and as well as overall properties either given as security or

otherwise to recover all debts/liabilities payable by me/us under this agreement.

- **Notwithstanding anything contained hereinabove, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by us, and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.**
- I/We declare that I have understood all the terms and conditions for the sanction of this loan and agree to abide by the same and also by the rules and regulations which may be issued by the Bank in future from time to time and in the event of my/our failing to do so, the Bank will have a right to recall the advance without prejudice to the Bank's right to take such appropriate action as the Bank may deem it fit and proper.

Signed and delivered by :

Shri/Smt./Kum.....  
(Borrower) (Signature)

Shri/Smt.Kum.....  
(Borrower) (Signature)

Signed for and on behalf of  
State Bank of India by  
Shri/Smt.....  
(Dy. General Manager/ Asst. General Manager/  
Chief Manager/ Branch Manager  
.....Branch,  
an authorized officer of State Bank of India (Signature)

### SBI ADVANTAGE HOME LOAN

It has been decided to launch the undernoted product with effect from 1<sup>st</sup> July 2009. The product is designed to address the customers' need for Home Loan at affordable interest rates and a fair amount of certainty about loan repayment obligations over a period of time.

Special features of the product are as under -

Name	SBI Advantage Home Loan																							
Facility Type	Term Loan																							
Loan amount	More than Rs.30 Lacs																							
Interest rate	<ul style="list-style-type: none"> <li>• Interest rate <i>during the first year</i> (i.e. till first anniversary date from the date of first disbursement) is Fixed at 8% p.a..</li> <li>• Interest rate <i>during next two years</i> is Fixed at 9.50%. p.a</li> <li>• Interest rate <i>after three years</i> may be Fixed or Floating as per the borrower's choice <i>made at the time of sanction</i>. If floating rate option is chosen, then the rate will be <b>1.50%</b> below SBAR. If fixed rate option is chosen, then the rate will be <b>0.50% below SBAR</b> prevailing on the third anniversary date from the date of first disbursement, and shall have a reset frequency of 5 years from the third anniversary date of the loan. Fixed interest rate shall be subject to force-majeure clause.</li> <li>• Concessions including discretionary concession, if any, will be available only on interest rate applicable after three years.</li> </ul>																							
Repayment programme	<p>If interest rate during the first year is X%, interest rate during next two years is Y%, and interest rate after three years is Z% , and loan period is T months then The parameters used for computation of EMI will be as under -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Period</th> <th style="width: 10%;">EMI</th> <th style="width: 30%;">Principal</th> <th style="width: 15%;">Interest rate, % p.a.</th> <th style="width: 10%;">Term. In months</th> </tr> </thead> <tbody> <tr> <td>First 12 months</td> <td>EMI1</td> <td>Full loan amount.</td> <td>X%</td> <td>T</td> </tr> <tr> <td>Next 24 months</td> <td>EMI2</td> <td>Balance outstanding at the end of 12<sup>th</sup> month</td> <td>Y%</td> <td>T-12</td> </tr> <tr> <td>Remaining Loan period</td> <td>EMI3</td> <td>Balance outstanding at the end of 36<sup>th</sup> month</td> <td>Z%</td> <td>T-36</td> </tr> </tbody> </table> <p>Note - EMI Calculator for SBI Easy Home Loan &amp; SBI Advantage Home Loan will be made available for this purpose through SBI Times.</p>				Period	EMI	Principal	Interest rate, % p.a.	Term. In months	First 12 months	EMI1	Full loan amount.	X%	T	Next 24 months	EMI2	Balance outstanding at the end of 12 <sup>th</sup> month	Y%	T-12	Remaining Loan period	EMI3	Balance outstanding at the end of 36 <sup>th</sup> month	Z%	T-36
Period	EMI	Principal	Interest rate, % p.a.	Term. In months																				
First 12 months	EMI1	Full loan amount.	X%	T																				
Next 24 months	EMI2	Balance outstanding at the end of 12 <sup>th</sup> month	Y%	T-12																				
Remaining Loan period	EMI3	Balance outstanding at the end of 36 <sup>th</sup> month	Z%	T-36																				
Eligible loan amount	For the purpose of loan eligibility based on EMI/NMI ratio, EMI3 mentioned above, i.e. EMI for the loan period after 36 months should be used. For this purpose, EMI3 will be arrived at using																							

	present SBAR.
Processing Fee	Fully waived upto 30 <sup>th</sup> September 2009.
Documents	Arrangement letter and Home Loan Agreement for SBI Advantage Loan scheme are enclosed at Annexures A & B respectively.
CBS Product codes	6250-2058 SBI Advantage Home Loan (Fixed Int. Rate) 6250-2158 SBI Advantage Home Loan (Floating Int. Rate)

Arrangement Letter – SBI Advantage Home Loan

STATE BANK OF INDIA

To

.....BRANCH

Shri/Smt./Kum.

.....

1).....

2).....

Date :

Dear Sir/Madam,

**SBI Advantage Home Loan****HOME LOAN : Rs. \_\_\_\_\_**

We are pleased to advise that on the basis of documents submitted by you and the information furnished by you in your application for Home Loan dated ....., we have decided to sanction a Home Loan limit of Rs.....

(Rupees.....only) to you, as per the undernoted break-up -

(i) Home Loan - Rs. \_\_\_\_\_

(ii) Funding of Home Loan Insurance Cover (Optional) -

Rs. \_\_\_\_\_

Total - Rs.

on the following terms and conditions -

2. **Purpose -**

(i) The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land/purchase of consumer durables/furnishings/takeover of Home Loan (hereinafter referred to as the 'project') as described below -

.....

(ii) Premium of Home Loan Insurance cover (Optional) - Rs. \_\_\_\_\_

3. **Margin :** % of the total cost of the project.

4. **Interest :** Interest will be charged at the rate mentioned below *on daily outstanding debit balance in your account at monthly rests -*

**Rate -**

i. Interest rate *during the first year* (till anniversary date of the customer loan) *from the date of disbursement* will be \_\_\_\_ p.a. (Fixed). Loan period will be calculated from the date of first disbursement.

ii. Interest rate *during next two years* will be \_\_\_\_ p.a. (Fixed)

iii. Interest rate after completion of *three years* will be as under -

iv. **Floating Rate of Interest\* (\*Strike off if not applicable): -**

Interest on the loan will be charged at \_\_\_\_ (here-in after referred to as **spread**) above/below State Bank Advance Rate (SBAR) . The rate of interest will be subject to revision from time to time due to (i) changes in SBAR and (ii) *revision, if any, necessitated by policies of Government of India/Reserve Bank of India.*

You shall be deemed to have the notice of changes in the rate of interest in tandem with the changes in SBAR or change in interest rates without change in

SBAR if the interest rates are either displayed on the Notice Board of the Branch or published in news papers/Bank's website etc. or made through entries of the interest rate charged in the passbook/statement of account furnished to you and you are liable to pay interest at such revised rate from its effective date.

**Spread** mentioned above consists of the following components -

Component of interest rate spread	Amount	Validity period
Spread as per SBI Interest rate card	1.50%	Throughout loan tenor
<b>Add</b> Concession		
<b>Add</b> Special concession, if any		
<b>Less</b> Premium, if any		
<b>Net spread</b>		

**5. Fixed Rate of Interest\* (\* Strike Off if not applicable) :-**

0.50% below SBAR p.a. prevailing on the date of reset after initial 36 months. Thereafter, the fixed interest rate will be subject to **reset at the end of every five years**. Reset period will be calculated from the date of application of Fixed Rate of Interest.

Fixed interest rate has been arrived at as under -

Component of fixed interest rate	Value	Validity period
Card rate		Till next reset date
<b>Less</b> Concession		
<b>Less</b> Special concession, if any		
<b>Add</b> Premium, if any		
<b>Effective rate</b>		Till next reset date

Fixed interest rate is also subject to force-majeure clause.

6. **Concession for maintaining salary account\*** - Concession of \_\_\_% p.a. is included in the above mentioned interest rate on account of maintenance of your salary account with our Bank. This will be referred as Salary Account concession in this document. **\*(Strike Off, if not applicable)**
7. **Borrower's obligation for continuation of Salary Account concession** - In the circumstances like change of job etc., where in salary is not credited by your employer to your account maintained with us, you would be required to issue Standing Instructions to the salary account servicing bank to transfer entire salary credit to your account maintained with us for continuation of Salary Account concession mentioned above. For the limited purpose of continuation of concessions in interest rates, your account with us under this arrangement will be reckoned as *pseudo-salary account*
8. **Withdrawal of Salary Account Concession** - In the event of discontinuation of salary account/pseudo-salary account with us, the Bank shall have the right to withdraw the Salary Account concession mentioned above, and the interest rate shall be revised accordingly.
9. SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be



applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.

In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

10. **Repayment :**

The loan is to be repaid by you as strictly as per the undernoted schedule -

	Number of months	Amount
(i) Moratorium\$ period (no. of months)		As stipulated at para (13 )
(ii) <i>Equated Monthly Installments (EMIs) at 8% p.a. interest rate</i>		Rs.
(iii) <i>Equated Monthly Installments (EMIs) at 9.5% interest rate</i>		Rs.
(iv) <i>Equated Monthly Installments (EMIs) at interest rate mentioned at para 4(c)above**.</i>		
(iv) Lump sum repayment		Rs.
Total period (i)+(ii)+(iii)+(iv)		

\*\*EMI calculation is based on present SBAR and spreads mentioned above.

EMI payment shall begin from the next month after completion of moratorium period.

The Bank reserves the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

*Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.*

\$ Moratorium period is the period, starting from the date of first disbursement, during which repayment of principal and/or interest may not be stipulated. Please note that interest is applied to the account on the basis of balance outstanding in the account, during the moratorium period.

11. **Interest rate in case of default** - Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque).

**12. Pre-closure Charges**

*Loans on Fixed and Floating rate of interest :*

Pre-closure charge of 2% of the amount pre-paid in excess of normal EMI dues will be levied in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

**13. Security :**

The loan will be secured by :

- a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ for which the loan has been sanctioned, valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_}S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.
- b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.
- c) Third Party Guarantee of .....
- d) .....

**14. Utilisation of the loan :**

The amount of the loan shall be utilized strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

**15. Insurance :**

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower. Cost of the same shall be borne by you.

**16. Inspection :**

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

**17. Legal expenses etc. :**

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance premia, stamp duty, registration charges and other incidental expenses incurred in connection with the loan shall be borne by you. Periodic reassessment, if any, of the value of the property funded through this loan for the purpose of regulatory compliances shall be done at your cost.

18. **Pre-EMI interest :**

**Capitalization of pre-EMI interest\***

The loan amount will be fixed suitably taking into account the approximate pre-EMI interest during the moratorium period, duly compounded at the applicable interest rate (worked out on the presumption that the loan is disbursed in lumpsum on the date of first disbursement). The computation of the total loan amount (i.e. actual loan plus pre-EMI interest) will be subject to fulfilment of income criteria eligibility and also subject to the extant instructions regarding Equated Monthly Instalment/Net Monthly Income. Please execute check-off authority with your employer/ tender post-dated cheques towards the EMIs of the loan amount. After completion of the moratorium period, you will have an option to request to reset EMI based on the actual outstandings in the loan account after final disbursement, subject to submission of revised check-off authority or tendering post dated cheques towards the EMIs so arrived at.

**Servicing of pre-EMI interest\***

Please tender post dated cheques drawn at monthly intervals for servicing of the amount of pre-EMI interest applied per month during the moratorium period.

(\* score off whichever is not applicable)

19. **Disbursement :**

The loan will be disbursed only on the following conditions :

- a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor/Advocate and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank.
- b) All the security documents prescribed below have been executed by you/co-applicant (s)/ guarantor(s) -

- i.Loan agreement
- ii.Affidavit
- iii.
- iv.

- c) The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in installments)

	Stage	Amount (Rs.)
i)		
ii)		
iii)		

20. You will have to bring in proportionate margin at each stage of disbursement. Disbursement will made in favour of the seller/builder from whom you are buying the property funded through this loan/in favour of the Financial Institution from where your loan is being taken over.

- 21 The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other statutory authorities in respect of this transaction.
- 22 The Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by you , and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.
- 23 The Bank shall have the authority to disclose/share your Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to you and the nature of the securities given by you, the guarantees furnished to secure the said loans whether fund based or non-fund based, your creditworthiness and any other information which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies, and the Bank shall not be liable in any manner to you for providing the information as aforesaid to the Information Company.
- 24 Please arrange to submit duly signed copy of this letter as a token of acceptance of the arrangement within \_\_\_\_ days from the date of this letter.

**Yours faithfully,**

**Asst. General Manager/Chief Manager/Branch Manager**

Received the original. I/We, undersigned agree to the terms and conditions as set out in this letter.

I/We wish to avail\* / do not wish to avail\* loan for funding of premium of Home Loan Insurance cover. (\*strike off whichever is not applicable).

**Borrower(s)**

Date & Place

Terms and conditions of the loan are accepted by me/us as a guarantor(s).

**Guarantor(s)**

Date & Place

(SPECIMEN OF MEMORANDUM OF LOAN AGREEMENT FOR  
SBI ADVANTAGE HOME LOAN)

TO BE STAMPED AS AN AGREEMENT IN ACCORDANCE WITH THE STAMP ACT  
IN FORCE IN THE STATE IN WHICH THE DOCUMENT IS EXECUTED AND NOT  
TO BE ATTESTED

To

STATE BANK OF INDIA

.....

PLACE :

DATE :

Dear Sirs,

Whereas, State Bank of India, a body corporate constituted under State Bank of India Act 1955, having its Corporate Centre at Madame Cama Road, Nariman Point, Mumbai-400 021 having one of its Branch Offices at.....(hereinafter called the "the Bank" which expression shall include its successors and assigns) having, at my/our request {.....Son/Daughter/Wife of.....at present aged around.....and residing at.....and.....Son/Daughter/Wife of.....at present aged around ..... and residing at.....(hereinafter, called "the Borrower" which expression shall include his/her respective heirs, executors, administrators and assigns)} granted me/us \*Home Loan limit of Rs.....(Rupees .....) for purchase/construction of a flat/house/ plot of land or for extension/repairs/renovations of an existing house/flat/purchase of consumer durables and furnishings/funding of Home Loan insurance cover (hereinafter referred to as the 'project'), situated at

.....

(\*Delete whichever is not applicable)

2. In consideration of the grant of the said advance and continuance of the said facility for such time as the Bank may deem fit, I/we, "the Borrower(s)" do hereby irrevocably and unconditionally agree and undertake , so as to bind myself/ourselves, my/our heirs, executors, administrators, estates, assigns and effects as follows, viz.
  - a) The disbursement of the amount of the loan shall be at the Bank's absolute discretion and shall be co-related to the actual progress in the construction of the project. Such disbursements shall be made by means of Bankers cheques drawn in favour of the builders/promoters duly authorized or to engineer/architect/contractor or to suppliers of goods and services when the construction is undertaken by the Borrower and instruct you to make payment for the purpose of the 'project'. The Bank may, at your discretion and at my/our request credit a part of the loan amount to my/our current/savings bank account (maintained in single or joint names) to enable me/us to make payments to suppliers of goods and services. I/We shall submit to the Bank, within a reasonable time, satisfactory proof of the proper utilisation of the amount of the loan, such as Architect's certificate, certifying the value of the work carried out, Contractor's bills, stamped receipts, sale agreement for house/flat etc. If considered necessary by the Bank, I/we shall produce , at my/our cost,

photographs showing the progress of construction work carried out by me/us , which photographs besides showing portion of the neighbouring properties, shall be certified by persons whose certificates are acceptable to the Bank.

b) I/We shall repay the amount of loan as per the terms stipulated in the *arrangement/sanction letter dated \_\_\_\_\_* duly accepted by me/us, which forms part of this Agreement, in equated monthly installments of Rs..... each till the entire loan with interest is fully repaid. The equated monthly installments also include interest component. The Bank shall levy pre-closure charges of 2% of the amount prepaid in excess of normal EMI dues in case of pre-closure of loan within 3 years from the stipulated date of commencement of repayment. If the loan is pre-closed from own resources other than borrowings, for which proof is submitted to the satisfaction of the Bank, pre-closure charges shall not be levied irrespective of the period for which the loan account has run.

- Interest rate *during the first year* (till anniversary date of the loan) from the date of disbursement is Fixed at \_\_\_ p.a..
- Interest rate *during next two years* is Fixed at \_\_\_ p.a.
- Interest rate *after three years will be*

Loan on fixed  
interest basis\*  
(\*delete if not  
applicable)

Interest on the amount of the loan will be fixed at the rate \_\_\_\_\_ below SBAR prevailing on the date of reset. The rate will be fixed for **Five** years from the date of reset, and shall be subject to force-majeure clause. Interest rate will be reset thereafter at a frequency of Five years. Interest will be calculated at this rate on *daily reducing balance with monthly rests*. Bank may at its discretion stipulate the periodicity of computation of interest. Further, Bank may at its sole discretion alter the rate of interest suitably and *prospectively* in the event of major volatility in interest rates or due to any reason whatsoever during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. Bank shall be the sole judge to determine whether such conditions exist or not. If we are not agreeable to the revised interest rates so fixed, I/We shall request the Bank, within 15 days of receipt of the notice intimating changed interest rates from Bank to terminate the Loan and shall repay the Loan and any other amount due to Bank in full and final

settlement in accordance with the provisions of this Agreement relating to prepayment

Loan on floating\*  
interest rate basis  
(\*delete if not  
applicable)

Interest on the amount of the loan will be applied at the **rate of .....per cent above/below** State Bank Advance Rate hereinafter referred to as **SBAR which is presently \_\_\_\_\_ % p.a.** Floating interest rate will rise and fall with the SBAR. Interest will be calculated on the daily balance of the loan amount and applied at monthly rests. Provided that the Bank shall at any time and from time to time be entitled to change the rate of interest depending on changes in SBAR. Notwithstanding the above the Bank is also entitled to revise the rate of interest, at its sole discretion, even if there is no change in SBAR and such revised rate of interest shall always be construed as agreed to be paid by the borrower(s) and hereby secured. Borrowers shall be deemed to have notice of change in the rate of interest whenever the changes in SBAR or increase in interest rates without any change in SBAR are either displayed/notified at/by the branch or published in newspaper or made through entry of interest charged in the passbook/statement of accounts sent to the borrower(s).

Salary account concession \$  
( delete, if not applicable)

I/We declare and confirm that in the circumstances like change in job etc., wherein the salary is not credited by my/our employer to account maintained with the Bank, I/We undertake to advise such development to the Bank, further I/We would issue standing instructions to the salary account servicing bank to transfer entire salary credit to my/our account maintained by the Bank for continuation of Salary Account Concession as mentioned above and for the limited purpose of continuation of concessions in interest rates, my /our account with the Bank under the arrangement will be reckoned as pseudo-salary account.

I/We further agree and confirm that in the event of discontinuation of my/our salary account/pseudo-salary account with the Bank, the Bank shall have the right to withdraw the salary account concession and the Bank shall have the right to revise the interest rate

accordingly and I/We will not raise any objection /dispute to the said action of the Bank”.

Without prejudice to the Bank’s other rights and remedies, the Bank shall be entitled to charge at its own discretion enhanced rates of interest on the outstanding in the loan account (s) or a portion thereof for any default or irregularity on my/our part which in the opinion of the Bank warrants charging of such enhanced rates of interest for such period as the Bank may deem fit. The Equated Monthly Instalments will have to be paid till the entire loan and the interest is fully repaid. Further, the amount of Equated Monthly Instalment may change/increase as may be decided by the Bank.

**Interest rate in case of default** - Enhanced rate of interest @2% p.a. on the entire outstandings for the period of default over and above the applicable rate will be charged if the Equated Monthly Instalment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque. Besides the Bank shall also charge a penalty for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable (present rate - Rs.250/- for every bounced cheque)

- c) If the loan amount has been utilised by me/us for purchase of ready built house/flat, I/we shall pay the first such monthly instalment following the month in which the loan amount is disbursed to me/us. The subsequent monthly instalments shall be paid before the last day of each subsequent month. If the loan amount has been utilised for construction of / additions to house/flat, I/we may be permitted to pay the first such monthly instalment till 2 months after the month in which the house/flat has been completed or on the expiry of 18 months from the date of disbursement of the first instalment, whichever may be earlier. The subsequent monthly instalments will be paid before the expiry of each subsequent month.
- d) Pre-EMI interest :
- (i) \* I/We have opted for servicing of Pre-EMI interest and have already delivered or hereby undertake to deliver post-dated cheques drawn at monthly intervals for servicing of the amounts of Pre-EMI interest during the moratorium period.
- (ii) \* I/We have opted for capitalizing the Pre-EMI interest and agree that *the loan amount will be fixed suitably taking into account approximate Pre-EMI interest during the moratorium period as detailed in paragraph pertaining to the Pre-EMI interest in the Arrangement letter dated.....I/We hereby unconditionally agree to execute necessary authority in favour of my/our employer or tender post-dated cheques towards EMI’s of the loan amount. If necessary I/we would request for resetting of EMI’s based on the actual outstanding in the loan account after final disbursement.*
- (\* score off whichever is not applicable)
- e) I/We declare and confirm that the amount of the loan or the balance then outstanding shall become payable at once in case of my death or death of anyone of us. In case of death, the Bank may, at its discretion, continue the loan provided sufficient collateral security is furnished by my/our legal heirs/surviving



borrower(s) or some satisfactory arrangement for repayment acceptable to the Bank has been made by my/our legal heirs/surviving borrower(s).

- f) I/We shall arrange for the payment of the equated monthly instalments from my/our monthly salary or in whatever manner deemed fit \* or by debit on the due dates from the Current /Savings Bank account with Branch/or any other Branch where I/we may hold the account singly or jointly and to appropriate the same in repayment of the said loan and interest.

I/We shall execute in favour of the Bank a letter of authority, addressed to my/our employers to recover and pay to the Bank the equated monthly instalment from my/our salary every month\*.

\* Delete if not appropriate.

- g) On demand I/We agree to deliver to the Bank post-dated cheques for the monthly instalments and warrant that the cheques will be honoured on first presentation. Any non-presentation of a cheque due to any reason will not affect my/our liability to pay the monthly instalments or any other sum. I/We agree to forthwith replace the cheques/issue fresh cheques, if required by the Bank. I/We shall not be entitled to call upon the Bank to refrain from presenting any cheque for payment and if I/we do so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under the Negotiable Instruments Act, shall apply. I/We also agree to pay a penalty as stipulated by the Bank from time to time, for every bounced cheque for any reason whatsoever in addition to the enhanced rate of interest as applicable.
- h) I/We declare and confirm that on my/our retirement, the outstanding amount of the loan sanctioned to me will become repayable at once. The Bank may, at its discretion, continue the loan provided satisfactory arrangement for repayment, acceptable to the Bank has been made by me/us.
- i) In the event of cessation of my/our business/service with my/our employers by way of resignation or otherwise (except as a result of death or retirement), I/we undertake to repay to the Bank forthwith on demand the balance principal amount of the loan, or the balances then outstanding whichever is higher.
- j) In the event of my/our ceasing to be in business/service of my/our employer whether by retirement, resignation, death or by operation of law or for any other reason or cause whatsoever and howsoever the Bank shall be entitled at its discretion, to write to my/our employers to appropriate and set off (i) any amount which may then be payable by my/our employers to me/us whether by way of salary, allowances, bonus, other remuneration or any payment (whether ex-gratia or otherwise) whatsoever and (ii) any amount that may be standing to the credit of any account which I/we may have with my/our employers or with the Bank, either singly or jointly, towards repayment of the balance that may be then remaining due and payable by me/us in my/our said loan account together with interest thereon at the applicable rates upto the date of such repayment. Any such appropriation made by the Bank or my/our employers shall be

conclusive and binding on me/us and my/our estate both in and out of court. In any event my/our liability to make repayment of the entire dues immediately shall remain valid till the entire amount with applicable interest as up to the date of payment has been realised by the Bank whether by way of recovery from my/our employer or otherwise.

- k) I/We will not sell assign, mortgage, charge or in any way encumber or alienate the said flat/house/land or any part thereof/consumer durables/furnishings so long as I/we am/are indebted to the Bank in the said loan account without prior permission of the Bank in writing. I/We undertake to give prior intimation to the Bank before letting out / giving on leave and licence the said flat/house. In the event of my/our account becoming irregular, NPA the Bank is at liberty to take vacant possession of building/flat/house (premises) from me/us, and hire the said premises at market rent for its commercial or residential purpose as the case may be and adjust the proceeds of the hire charges towards outstanding of my/our loan account.
- l) The loan shall be secured by a valid equitable/legal mortgage of the land/house/flat purchased/constructed by me/us for which the Loan facility is provided by executing/registering such documents in such form as may be decided by the Bank. I/We shall, if required by the Bank, give such further security as acceptable to the Bank forthwith on demand by the Bank. In case it is not possible to create security by way of mortgage as aforesaid I/we shall forthwith on demand arrange for other collateral securities, by way of pledge/hypothecation, such as Bank's Fixed Deposits, National Savings Certificates, Kisan Vikas Patra, Life Insurance Policies, promissory notes issued by any Govt., shares or debentures of the companies, sufficient quantity of gold or gold ornaments or other articles or things acceptable to the Bank as security for the loan.
- The loan shall also be secured by the guarantee of a person acceptable to the Bank and good for the loan amount involved and by mortgage of the guarantor's property also or pledge/assignment/hypothecation of other securities acceptable to the Bank, if need be.\*\**  
(\*\* Applicable in cases where Guarantee/ Charge on Guarantor's assets is stipulated in the Loan Arrangement letter.)
- m) I/We shall obtain at my/our cost and produce for the satisfaction of the Bank a certificate from the Advocate/Solicitors approved by the Bank certifying that I/we will have clear, valid and marketable title to the land/house/flat proposed to be purchased by me/us and agree that the Bank shall be entitled not to disburse any amount of the loan until such certificate has been produced by me/us.
- n) I/We shall maintain the flat/house in good tenantable repair and condition at my /our cost at all times so long as I/we am/are indebted to the Bank and that I/we shall ensure that the Bank's security is not in any way jeopardised. I/we shall duly and punctually pay the charges, if any, payable to the Co-operative Housing Society/condominium association and also all the municipal/revenue taxes, charges, rates, cesses etc. from time to time payable by me/us in respect of the flat/house/land. The Bank shall be at liberty to inspect the flat/house/land at any reasonable time and I/we shall furnish all such information/particulars

whatsoever as and when called upon to do so by the Bank .I/We shall provide the required no-objection consent for creating a charge on the property secured for the Loan, from the Society/Condominium or any other permissions by any authority necessary for creating the security in favour of the Bank.

- o) I/We shall at my/our cost insure and keep insured in the joint names of myself/ourselves and the Bank my/our house/flat at all times against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God for such other risks for its full market value as desired by the Bank from time to time and shall endeavour to get the building in which my/our flat is situated insured against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake, risks and other acts of God at all times by the Co-operative housing society/apartment owner/association or any other body under whose control the building is vested. I/we shall deliver copies of the insurance policies, cover notes, premium receipts, etc., to the Bank . If I/we fail to effect such insurance the Bank will be at liberty but not obliged to insure the said house/flat against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God and debit the premium and other charges to any of my/our accounts with the Bank. I/we expressly agree and declare that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the insurance company and the insured arising from or under or in connection with any such policy or policies of insurance and such adjustment, settlement, compromise or any award made on such reference to arbitration shall be valid and binding on me/us. I/we further agree that the Bank shall have a right to receive all moneys payable under any such policy or under any claim made thereunder and to give a valid receipt therefor and that the amount so received shall be credited to my/our loan account and I/we will not be entitled to raise any question that a larger sum might or ought to have been received or to dispute my/our liability for the balance remaining due on such account after such credit.
- p) I/We agree and declare that notwithstanding anything contained herein or in any other security documents the entire amount of the loan or the balances then due shall, if so decided by the Bank, become forthwith due and payable by me/us to the Bank, upon the happening of any of the following events and the Bank shall be entitled to enforce its dues and security.
- i) any instalment of the principal remaining unpaid for a period exceeding one month after the due date for payment thereof has expired;
  - ii) any interest including penal interest remaining unpaid and in arrears for a period of one month after the same has become due whether demanded or not;
  - iii) any breach or default in the performance or observance of any of the covenants contained in these presents and/or the security documents or any other term or condition relating to the term loans;
  - iv) entering into any arrangement or composition with my/our creditors or committing any act of insolvency;

- v) any execution or distress being enforced or levied against the whole or any part of my/our property;
- vi) a receiver being appointed in respect of the whole or any part of my/our property;
- vii) the occurrence of any circumstances which is prejudicial to or impairs, imperils or depreciates or which is likely to prejudice, impair, imperil or depreciate the security given to the Bank ; and
- viii) the occurrence of any events or circumstances which prejudicially or adversely affect in any manner my/our capacity to repay the amount due under the loan.

On the question whether any of the above event/s has/have happened, the decision of the Bank shall be conclusive and binding on me/us.

Provided always that the Bank may in its discretion refrain from forthwith enforcing its rights under this Agreement in spite of the happening of the contingencies aforesaid and provided further that the failure or delay by the Bank in exercising any right, power or privilege hereunder or under any of the security documents shall not impair/extinguish the same or operate as waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies herein and in the security documents are cumulative and not exclusive of any rights and remedies provided by the law.

- q) I/We also agree that the Bank shall also be entitled to transfer loan account to any of the branches of the Bank after giving due notice to me/us.
  - r) I/We shall abide by the terms and conditions of the sanction of the loan to me/us as mentioned in the arrangement letter/sanction letter which forms part of this agreement and also to the rules for such loans which are now in force and also those which may be altered, revised, amended, added from time to time by the Bank/the Reserve Bank of India/Central Government/State Government.
- The undertakings, authority and agreements herein contained shall be irrevocable so long as I/we continue to be liable to the Bank in the said loan account.
  - I/We hereby further agree that as precondition of the loan/ advance given to me/us by the Bank, that in case of default in repayment of the loan/advances or in the repayment of the interest thereon or any of the agreed instalment of the loan on due date/s, the Bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish my/our name(s), details and photograph(s) as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.

- I/We further agree that the Bank is at liberty to disclose/share my/our Credit information to/with Information Company formed under the Credit Information Company (Regulation), 2005, as to the loans granted to me/us and the nature of the securities given by me/ us, the guarantees furnished to secure the said loans whether fund based or non-fund based, my/our creditworthiness and any other manner which the RBI may consider necessary for inclusion in the Credit Information to be collected and maintained by Credit Information Companies and the Bank is not liable in any manner to me/us for providing the information as aforesaid to the Information Company.
- I/We agree that the Bank has absolute right to assign this agreement in favour of any person including securitisation company or reconstruction company under the SARFAESI Act and on such assignment, I/We will be liable to such assignee as if assignee is the Bank/lender and assignee will have all rights against me/us and as well as overall properties either given as security or otherwise to recover all debts/liabilities payable by me/us under this agreement.
- **Notwithstanding anything contained hereinabove, I/We confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case the limits/part of the limits are not utilized by us, and/or (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or (c) in case of non-compliance of terms and conditions of sanction.**
- I/We declare that I have understood all the terms and conditions for the sanction of this loan and agree to abide by the same and also by the rules and regulations which may be issued by the Bank in future from time to time and in the event of my/our failing to do so, the Bank will have a right to recall the advance without prejudice to the Bank's right to take such appropriate action as the Bank may deem it fit and proper.

Signed and delivered by :

Shri/Smt./Kum.....  
 (Borrower) (Signature)

Shri/Smt.Kum.....  
 (Borrower) (Signature)

Signed for and on behalf of  
 State Bank of India by  
 Shri/Smt.....  
 (Dy. General Manager/ Asst. General Manager/  
 Chief Manager/ Branch Manager  
 .....Branch,  
 an authorized officer of State Bank of India (Signature)

**SBI My Home Campaign**  
**( 8<sup>th</sup> August 2009 to 7<sup>th</sup> November 2009)**

Home Loan products viz. SBI Special Home Loan, SBI Happy Home Loan, SBI Easy Home Loan, and SBI Advantage Home Loan introduced for stimulating growth in housing industry has received an overwhelming response from the market. These initiatives have enabled our Bank to occupy the leadership place in the Home Loans industry.

2. In line with our objective of retaining leadership through continuous product and process innovation, a campaign named “**SBI My Home Campaign**” has been launched with effect from 8<sup>th</sup> August 2009 to 7<sup>th</sup> November 2009. **Cutoff date for delivery of loans sourced during the campaign period may be permitted to be sanctioned upto 30<sup>th</sup> November 2009 with waiver of processing fee.**

3. (i) Home Loans sanctioned during the campaign period will carry attractive interest rates as under –

**a) SBI Hi-Five Home Loan (New product introduced specially for the campaign)-**

Amount – Maximum Rs.5 Lacs.

Loan Term - Maximum 120 months (i.e. 10 years) including moratorium period.

Interest rate - 8% p.a. Fixed interest rate during first 60 months.

61<sup>st</sup> month onwards, the rate will be reset with Floating rate at 2.75% below SBAR or Fixed rate of 1.25 % below SBAR as per the option exercised by the customer at the time of sanction of loan. Fixed rate shall be arrived at on the basis of SBAR prevailing the time of reset.

**b)SBI Easy Home Loan –**

	Extant instructions	Revised instructions during SBI My Home Campaign.
Loan amount	Maximum Rs.30 Lacs	Maximum Rs.50 Lacs
Facility Type	OD or TL	OD or TL (Ceiling of Rs.30 Lacs on MaxGain Loan is raised to Rs.50 Lacs during the campaign period)
Interest during first year	8% p.a.	8% p.a.
2 <sup>nd</sup> & 3 <sup>rd</sup> year	9% p.a.	8.5% p.a.
<b>Floating</b> interest rate after 3 <sup>rd</sup> year	2% below SBAR, i.e. 9.75%	2.75% below SBAR
<b>Fixed</b> interest rate after 3 <sup>rd</sup> year	1% below SBAR with reset frequency of 5 years	1.25 % below SBAR with reset frequency of 5 years.

c) **SBI Advantage Home Loan -**

	Extant instructions	Revised instructions during SBI My Home Campaign
Loan amount	Above Rs.30 Lacs	Above Rs.50 Lacs
Interest during first year	8% p.a.	8% p.a.
2 <sup>nd</sup> & 3 <sup>rd</sup> year	9.50% p.a.	9.00% p.a.
Floating interest rate after 3 <sup>rd</sup> year	1.5% below SBAR, i.e. 10.25%	1.75% below SBAR, i.e. 10.00%
Fixed interest rate after 3 <sup>rd</sup> year	0.50% below SBAR with reset frequency of 5 years	0.75% below SBAR with reset frequency of 5 years .

(ii) CBS codes for the above mentioned products are furnished under Product Codes (Sl.No.51)

(iii) Discretionary concession or non-discretionary special concessions shall not be available during first 60 months for loans under SBI Hi-Five Home Loan, and first 36 months for loans under SBI Easy Home Loan and SBI Advantage Home Loan schemes.

(iv) As the interest rates are very attractive, no discretionary powers shall be available on interest rates applicable after 3<sup>rd</sup> year. However, the following non-discretionary special concessions shall be available after 3<sup>rd</sup> year -

(a) 0.10% if salary\* account is maintained with us

(b) 0.25% under SBI Green Home Loan

(c) 0.10% under Plus\* schemes to Govt. employees and teachers.

(d) 0.10% for rural housing under SBI Gram Niwas scheme, SBI Sahayog Niwas (for SHGs)

(e) concessions under Corporate or builder tie-ups subject to a ceiling of 0.25%

\*Note - Concessions under Plus schemes are not allowed to run concurrently with the concessions for maintaining Salary Account.

There will be a **ceiling of 0.25%** beyond which net concession under various heads including Salary Account, Green Housing, Plus Schemes, Rural Housing, Corporate Tie-us, Builder Tie-ups, Corporate Salary Package, shall not be allowed. *However, in view of exclusive offer of 50 bps concession in all P segment loans made by the Bank to Indian Army Headquarter under Defence Salary Package(DSP), the abovementioned ceiling of 25 bps shall stand increased to 50 bps exclusively for Home Loans availed by DSP account holders. It may be reiterated that interest rates concessions will not be applicable on fixed interest rates during first three years under SBI Easy Home Loans & SBI Advantage Home Loans and during first five years under SBI Hi-Five Home Loans. Concessions will be effective after only completion of interest rate freeze period of three or five years as applicable under the respective products.*

(v) Provision of Risk Based Concessions and Premium in interest rates shall not be applicable during the promotion campaign with a view to bringing simplicity to the interest rate structure.

(vi) Eligible loan amount will be calculated on the basis of highest EMI amount payable on the loan by the customer during the loan term. EMI Calculator shall be circulated through SBI Times and shall also be available on PBBU website.

**4. Processing Fee - 100% Processing fee waived upto 07<sup>th</sup> November 2009. In respect of proposals sourced after 07<sup>th</sup> November 2009, applicable processing fee should be recovered. (For details reference be made to Home Loans scheme.)**

### 5. Campaign Target

Circles will be required to achieve at least 35 % of their Activity Budget during the Campaign period. Top three Circles achieving the highest percentage of growth budget during the Campaign period would be recognised. Similarly, each Circle may recognise top three RBOs. We propose to use the campaign period to ensure that all marketing arms are made to contribute to the sourcing to their full capacity by recognizing the contribution of each arm. At the same time, the contribution of the RACPCs in handling the flow seamlessly and efficiently would also be recognized. Contribution of all sales channels like HLST, MPST, HLC, Marketing Associates, CRE(PB), RM(PB) and branches themselves will be considered and more credit given for uniform activation of all channels.

### 6. Other strategies

Circles shall arrange to give wide publicity to the products at branches, ATMs and through hoardings. They would also conduct home loan melas at different places during the Campaign. Melas may also be held for specific Corporates.

A token gift consisting of two ceramic mugs in metro areas and a wall or table clock in other areas is to be given to the customer for each home loan sanctioned/ disbursed (including loans sanctioned prior to beginning of the campaign where documentation and disbursement is taking place during the campaign period) during the campaign period. The cost of the gift should not exceed Rs 125 and the cost would be borne from the publicity budget of the PBBU. The gift would carry the Bank's logo and the creative would be standardized at PBBU, Corporate Centre. While PBBU would provide one sample gift to each Circle, they in turn shall be required to source the gifts from nearby vendors for logistical convenience.

It is expected that the gift would help to create greater interest amongst borrowers and help generate publicity by word of mouth.

**7. Recognition proposed for the campaign:** The following structure is proposed:

<b>A. At Circle level</b>	
HLST sales executive	Top 3 performers in the Circle
MPST sales executive	Top 3 performers in the Circle
RM(PB)	Top 3 performers in the Circle
CRE(PB)	Top 3 performers in the Circle
Branch Manager	Top 3 performers in the Circle
AGM(RBO)	Top 3 performers in the Circle
Officers at CPC	Top 3 performers in the Circle

<b>B. At Whole Bank level</b>	
HLST sales executive	Top 3 performers for the Bank
MPST sales executive	Top 3 performers for the Bank



RM(PB)	Top 3 performers for the Bank
CRE(PB)	Top 3 performers for the Bank
Branch Manager	Top 3 performers for the Bank
AGM(RBO)	Top 3 performers for the Bank
Officers at CPC	Top 3 performers for the Bank
PBU Head of Network	Top 3 performers for the Bank
CPC Head	Top 3 performers for the Bank

The top 3 performers for the Circle in each category shall be sent for a study tour for one week to a suitable place within the country, with spouse. The top 3 performers for the Bank in each category are shall be sent abroad for a suitable one-week course. Performance on the sales side would be measured by considering both the growth budget achieved as also the achievement of the Activity Budget. On the CPC side, focus would be on productivity- number of proposals handled and sanctioned along with achievement of TAT. PBU head would be judged on activation of all sales forces and strategizing to achieve high leads conversion ratio. Detailed guidelines on performance measurement shall be issued separately by Home Loans department at PBBU, Corporate Centre.

8. Special products, namely SBI HI-Five Home Loan, SBI Easy Home Loan and SBI Advantage Home Loan with attractive interest rate launched during MY Home Campaign i.e. from 08<sup>th</sup> August 2009 to 07<sup>th</sup> November 2009, have received a very good response from the customers and enabled the Bank to consolidate No.1 position in Home Loan industry. With a view to enabling the Circles to continue the business momentum powered by these products, these three products have been extended upto 31<sup>st</sup> March 2010. Interest rate structure for these products will be the same as under SBI My Home Campaign, except waiver of processing fee. Processing fee should be recovered at the prescribed rate.

## **II Interest Rates For Loans Sourced between 1<sup>st</sup> April 2010 to 30<sup>th</sup> April 2010**

1. Last date for sourcing Home Loan applications under three special products viz. SBI Hi-Five Home Loan, SBI Easy Home Loan and SBI Advantage Home Loan is 31<sup>st</sup> March, 2010. Home Loan applications for these products, sourced upto 31<sup>st</sup> March 2010, may be sanctioned and disbursed on or before 30<sup>th</sup> April 2010, with respective interest rates as advised in the aforesaid circulars. Arrangements are being made to keep the relevant product codes open in CBS upto 30<sup>th</sup> April 2010, for enabling disbursement of loans sanctioned under these products.

2. Following rates will be applicable for loans sourced between 1<sup>st</sup> April 2010 and 30<sup>th</sup> April 2010 :

### **a) SBI Easy Home Loan (April 2010) -**

	<b>Interest rate for loans sourced w.e.f. 1<sup>st</sup> April 2010.</b>
Loan amount	Maximum Rs.50 Lacs
Facility Type	OD (MaxGain) or TL
Interest rate during first year	8% p.a. (Fixed)
Interest rate during 2 <sup>nd</sup> & 3 <sup>rd</sup> year	9% p.a. (Fixed)
<b>Floating</b> interest rate from 4 <sup>th</sup> year	1.75% below SBAR, i.e. 10.00%

onwards	
<b>Fixed</b> interest rate from 4 <sup>th</sup> year onwards	0.75% below SBAR, with a reset frequency of 5 years.

**b) SBI Advantage Home Loan (April 2010) –**

	<b>Interest rate for loans sourced w.e.f. 1<sup>st</sup> April 2010.</b>
Loan amount	Above Rs.50 Lacs
Facility Type	TL
Interest rate during first year	8% p.a. (Fixed)
Interest rate during 2 <sup>nd</sup> & 3 <sup>rd</sup> year	9.00% p.a. (Fixed)
<b>Floating</b> interest rate from 4 <sup>th</sup> year onwards	1.75% below SBAR, i.e. 10.00%
<b>Fixed</b> interest rate from 4 <sup>th</sup> year onwards	0.75% below SBAR, with a reset frequency of 5 years.

**III. Interest Rates For Loans Sourced Between 1<sup>st</sup> May 2010 and 30<sup>th</sup> June 2010**

**a) SBI Easy Home Loan (May 2010)**

(SBAR=11.75% p.a.)

	Interest rate for proposals sourced between 1 <sup>st</sup> May 2010 and 30 <sup>th</sup> June 2010.
Loan amount	Maximum Rs.50 Lacs
Facility Type	OD (MaxGain) or TL
Interest during first year	8% p.a.(Fixed)
2 <sup>nd</sup> & 3 <sup>rd</sup> year	9% p.a.(Fixed)
<b>Floating</b> interest rate after 3 <sup>rd</sup> year	<b>2.50% below SBAR, i.e. 9.25% p.a.</b>
<b>Fixed</b> interest rate after 3 <sup>rd</sup> year	0.75% below SBAR, with a reset frequency of 5 years.

**b) SBI Advantage Home Loan (May 2010)**

	Interest rate for proposals sourced between 1 <sup>st</sup> May 2010 and 30 <sup>th</sup> June 2010.
Loan amount	Above Rs.50 Lacs
Facility Type	TL
Interest during first year	8% p.a. (Fixed)
2 <sup>nd</sup> & 3 <sup>rd</sup> year	9.00% p.a. (Fixed)
<b>Floating</b> interest rate after 3 <sup>rd</sup> year	<b>2% below SBAR, i.e. 9.75%</b>
<b>Fixed</b> interest rate after 3 <sup>rd</sup> year	0.75% below SBAR, with a reset frequency of 5 years .

***(Non -discretionary special concessions metioned in Para 3 (iv) above are also applicable for the loans sanctioned upto 30<sup>th</sup> June 2010.)***

c) Revised rates may be made applicable to the proposals in the pipeline, which are not yet sanctioned or disbursed.

d) 'Base Rate' regime will replace the current 'Prime Lending Rate' based interest rate structure with effect from 1<sup>st</sup> July 2010. Pending detailed examination of the issue, please arrange to incorporate the following clause manually in the Home Loan Arrangement letter :-

'State Bank Advance Rate (SBAR)' mentioned in this document is the 'Prime Lending Rate (PLR)' of State Bank of India. As advised by the Reserve Bank of India, the present PLR based interest rate structure, is slated to be replaced with a new 'Base Rate' system with effect from 1<sup>st</sup> July 2010. Interest rate structure in the present agreement will be required to be adjusted appropriately by the Bank with a view to conforming to the 'Base Rate' linkage.

## **'SBI - FLEXI HOME LOANS'**

### *HOME LOANS WITH A COMBINATION OF FIXED AND FLOATING INTEREST RATES*

- (i) Home Loans with an option to choose a combination of floating interest rate and fixed interest rate , in a pre determined ratio.
- (ii) Minimum Loan Amount Rs.5.00 lacs.

Under our extant Home Loan Scheme, borrowers can opt for loans on fixed or floating interest rate basis

2. After a steady decline over the last few years, interest rates in general have been showing signs of hardening in the last few months. Accordingly market expects Home Loan interest rates to firm up and move upwards in the short term, say after six months to one year. On the other hand, the long tenure of Home Loans makes it difficult to predict the interest rate movements in the medium to long term. In this scenario, many discerning borrowers, particularly High Networth Individuals who propose to avail high value loans, show a marked preference for availing Home Loans with a combined option i.e. availing a portion of their Home Loan on fixed interest basis and the remaining portion on floating interest rates, depending upon their perception of the likely future movement of interest rate to hedge their interest rate risk .

3. In the wake of intense market competition and with a view to meeting the emerging market demand , a few leading Private Sector/Foreign Banks and Housing Finance Companies(HFCs) are granting Home Loans with an option to choose a combination of floating interest rate and fixed interest rate , in a pre determined ratio.

4. With a view to building in value-added and customer-friendly features to our Home Loan product, matching with those of our competitors and to maintain a competitive edge in the market, a new product 'SBI Flexi Housing' Loans has been launched extending a one time irrevocable option to the prospective Home Loan borrowers who avail loans of Rs.5 lacs and above, to choose from the undernoted 3 customized combinations of fixed and floating interest rates .

	Percentage of loan proposed to be extended on <u>floating interest rate</u> basis	Percentage of loan proposed to be extended on <u>fixed interest rate</u> basis
Option No.1	50	50
Option No.2	60	40
Option No.3	75	25

Other instructions in this regard are as under :

Sl. No.	Particulars	Instructions
1.	Eligibility, Margin, Interest rates, Repayment tenure, Processing fee etc.	As per extant instructions applicable to Home Loans
2.	Accounts	Two Home Loan accounts will be opened in the same memo level, one in respect of loan availed on floating interest rate basis and the other for loan availed on fixed interest rate basis
3.	Disbursement	Irrevocable letter of authority should be obtained from the borrower(s) at the time of documentation conveying the borrower's option to debit either Fixed Interest Rate Loan or Floating Interest Rate Loan towards earlier disbursements with an undertaking to avail disbursement from the second loan account only after utilization of the full amount from the first account so chosen, as per Annexure -A enclosed
4.	Repayment	<p>Our extant check-off authority/ undertaking may be obtained which should clearly show EMI obligations of both the loans separately and the amount recovered should be credited to the accounts accordingly.</p> <p>Where the loans are secured by obtaining post dated cheques, such cheques may be obtained for the aggregate EMI obligations of both the loan accounts and proceeds should be credited to the respective loan accounts.</p>
5.	Documentation	<ul style="list-style-type: none"> <li>➤ Arrangement Letter (Annexure-B)</li> <li>➤ Memorandum of Housing Term Loan Agreement (As per Home Loan Scheme)</li> <li>➤ Guarantee Agreement (As per Home Loan Scheme)</li> </ul>

(Irrevocable letter of authority to be obtained from the borrowers)

From

Date :.....

Shri/Smt./Kum.....  
.....  
.....

To

The Asst. General Manager/Chief Manager/Branch Manager  
State Bank of India,  
.....Branch.

Dear Sir,

**'SBI - FLEXI HOME LOANS' - HOME LOANS WITH A COMBINATION OF  
FIXED AND FLOATING INTEREST RATES**

With reference to the Home Loan availed by me under 'SBI-FLEXI Home Loans' I irrevocably authorize you to debit the earlier disbursements from the Fixed Rate Loan Account/ Floating Rate Loan Account and to commence disbursement from the second Loan Account i.e. Fixed Rate Loan Account/Floating Rate Loan Account only after utilization of the full loan amount from the first account.

Yours faithfully,

( )  
Name of the borrower(s)

**Arrangement Letter**

STATE BANK OF INDIA  
 .....BRANCH  
 .....

To,  
 Shri/Smt./Kum.  
 .....  
 .....

Date :

Dear Sir,

Personal Segment advances :

**'SBI-Flexi' Home Loans**

Term Loan of Rs.....lakhs

With reference to your application dated .....,we hereby sanction you a Housing Term Loan of Rs.....(Rupees.....only) under 'SBI- Flexi Home Loans' scheme on the following terms and conditions:

1.

Loan Account	Break-up of Home Loan	Percentage	Amount
(a)	Loan on fixed interest rate basis	%	Rs.
(b)	Loan on floating interest rate basis	%	Rs.

2. Purpose

The loan is sanctioned to you for the purpose of purchase / construction / extension / repairs of new/second-hand residential house/flat at the following address :

.....

3. Margin : %

4. Rate of Interest :

*Fixed Rate of Interest\*- for fixed interest rate Home Loan amount i.e.*

*Rs.....as per 1(a) above*

Interest on the loan will be charged at .....% p.a. on daily reducing balance at monthly rests. SBI may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such conditions exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower shall request SBI,

within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of this Agreement relating to prepayment.

*Floating Rate of Interest \* : - for floating interest rate Home Loan amount  
i.e. Rs.....as per 1(b) above*

Interest on the loan will be charged at .....% p.a. over Base Rate which is currently .....% p.a. (The current effective rate being .....% p.a.) with monthly rests. The rate of interest is subject to revision from time to time and you shall be deemed to have notice of changes in the rate of interest whenever the changes in Base Rate are either displayed on the Notice Board of the Branch or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished to you. The Bank has the option to reduce or increase the EMI or extend the repayment period consequent upon changes in Base Rate. In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit.

5. Repayment :

The loan is to be repaid in Equated Monthly Instalment of Rs \_\_\_\_\_ (i.e. Rs. \_\_\_\_\_ towards fixed interest loan account and Rs. \_\_\_\_\_ towards floating interest loan account) . The repayment instalment commences (a) 2 months after completion of construction of house/flat or after eighteen months from disbursement of first instalment, where loan is released in instalments, , whichever is earlier or (b) from the next month after the date of full disbursement in respect of outright purchase of land/house/flat/extension, repairs or renovation of an existing house/flat \*. Your liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.

\* delete which is inapplicable.

Pre-closure Charges

*Loans on Fixed and Floating Rate of Interest :*

If the loan is **pre-closed** from own resources for which proof is submitted by the borrower, pre-payment penalty shall not be levied irrespective of the period for which the account has run. In other cases, where such proof is not produced by the borrowers, 2% penalty on the amount prepaid in excess of normal EMI dues should be levied in case of **pre-closure** of Home Loans within 3 years from the date of commencement of repayment

6. Security :

The loan will be secured by :

- a) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_

for which the loan has been sanctioned, valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_ } S/o / W/o / D/o \_\_\_\_\_ {Borrower(s)} in favour of the Bank.

b) Equitable / Registered mortgage/extension of mortgage of the land and building/flat situated at \_\_\_\_\_ valued at Rs. \_\_\_\_\_ belonging to Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ and Shri/Smt./Kum. \_\_\_\_\_ S/o / W/o / D/o (Guarantor) \_\_\_\_\_ in favour of the Bank.

c) Third Party Guarantee of .....

d) .....

7. Utilisation of the loan :

The amount of the loan shall be utilised strictly for the purpose detailed in your application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by you in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the scheme as originally approved, can be undertaken only after express sanction for it has been obtained in writing from the Bank.

7. Insurance :

The house/flat shall be insured comprehensively for the market value covering fire, flood, etc. in the joint names of the Bank and the borrower.

8. Inspection :

The Bank will have the right to inspect, at all reasonable times, your property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by you.

9. Legal expenses etc. :

All legal and other expenses, like solicitor's and lawyer's fees, valuer's fees, insurance prEMIa, stamp duty, registration charges and other incidental expenses incurred in connection with the loan should be borne by you.

10. Disbursement:

The loan will be disbursed only on the following conditions:

a) Title of the property proposed to be mortgaged is clear, absolute, unencumbered and marketable to the satisfaction of the Bank's solicitor and a valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank..



- i. All the security documents prescribed have been executed by you/co-applicant (s)/ guarantor(s).
- ii. You shall have the option to opt for either the fixed interest rate loan account or floating interest rate loan account initially for the disbursement of the loan. Such option shall be irrevocable and you shall not be allowed to request for disbursement from the other account until the limit in the account opted by you is fully utilized.

d) The loan will be disbursed as under: (applicable where loans for construction is desired or purchase is through payment in instalments)

	Stage	Amount (Rs.)
i)		
ii)		
iii)		

The loan is also subject to other terms and conditions that may be prescribed by the Bank from time to time. Please call on us on any working day to execute the documents. The duplicate copy of this arrangement letter may please be returned to us duly signed by you and the guarantor(s) in token of acceptance of the terms and conditions detailed herein.

Yours faithfully,

Asst. General Manager/Chief Manager/Branch Manager

Received the original. Terms and conditions accepted

Borrower(s)  
Date

Terms and conditions of the loan are noted and accepted.

Guarantor(s)

Date

## 'SBI-FREEDOM' HOME LOANS

1. Waiver of mortgage of the property financed and in lieu of pledge of liquid securities (viz) Term Deposits, NSCs /KVPs in own name/ in the name of third party,
2. Life Insurance Policies from LIC/SBI Life/Other Life Insurance companies in own name (to the extent of surrender value of the policy) etc.
3. Maximum loan limited to 90% of the security offered including accrued interest, subject to a maximum of 100% of the project cost.
4. Part delivery of the scrips pledged will be permitted once in a year subject to advance value of the remaining securities covering the outstanding loan amount.

### **Extant instructions on Security**

Home Loans are secured by creation of (i) equitable mortgage of the property on the basis of lawyer's report regarding clear, absolute and marketable title of the borrower on the property, (ii) registered mortgage where the Sanctioning Authority deem it necessary or where the title deeds of the property does not exist or (iii) if the mortgage of the property being financed is not possible, Sanctioning Authority can accept, at his discretion, tangible security of adequate value like LIC Policies, Govt. Promissory Notes, shares and debentures, gold ornaments or such other tangible security as may be deemed appropriate, valued with a margin as stipulated in various schemes for granting of loans there against.

### **Present Scenario**

2. In the wake of enhanced Income Tax incentives for Home Loans (i.e. borrowers can claim I.T. benefits under Sec.80C upto Rs.1.00 lac in respect of principal repayment of Home Loans as against the erstwhile cap of Rs.0.20 lacs), many prospective borrowers especially those who belong to Mass Affluent and HNI segment are keen to avail Home Loans to the maximum extent to draw optimal I.T. benefits as also reduction in effective interest cost.

3. Further, many Mass Affluent/Affluent/HNI customers hold investments in Bank Deposits, NSCs, KVPs, Life Insurance Policies etc. and would prefer to pledge these as security for the Home Loan, to take advantage of the simple procedure to create security vis-a-vis creation of mortgage of the property which is cumbersome and costly. (As per extant instructions the option to waive creation of mortgage is considered only when creation of equitable mortgage is not possible). Moreover, the option will also enable prospective borrowers from States like Maharashtra, Gujarat etc. to make significant savings of the stamp duty of 0.50% of the loan amount payable to create equitable mortgage. Besides, many such borrowers also prefer to pledge their liquid securities in lieu of the stipulated cash margin so that it would enable them to avail Home Loans to the extent of 100% of the project cost (i.e. Home Loan + liquid security to meet the margin.) which enable them to avail optimal income tax benefits and also to avoid loss due to premature closure of the securities to meet the stipulated cash margin. Further, as the maturity proceeds of the security pledged towards margin

will be credited to the loan account/renewed till the liquidation of the loan, the Bank is not exposed to any risk by extending the above option.

#### NEW PRODUCT "SBI-FREEDOM' HOME LOANS

4. In light of the foregoing and with a view to effectively tap the business potential from the niche segment comprising, HNIs, Affluent and Mass Affluent, NRIs, highly paid executives and software professionals etc., a new product 'SBI-Freedom' Home Loans, has been launched w.e.f. 26<sup>th</sup> January 2006 coinciding with the celebration of Republic Day celebrations. with the following value added features.:

- (a) Waiver of mortgage of the property financed and in lieu thereof obtain pledge of liquid securities viz. (i) Term Deposits (including NRE/FCNB deposits) in own name/in the name of third party maintained with our Bank, (ii)/ NSCs/ KVPs in own name/ in the name of third party, (Where the security tendered stands in the name of a third party, he/she should guarantee the Home Loan)(iii) Life Insurance Policies from LIC/SBI Life/Other Life Insurance companies in own name (to the extent of surrender value of the policy) etc. The loan amount will be limited to 90% of the value of the security offered including accrued interest, subject to a maximum of 100% of the project cost.
- (b) Further, in respect of applicants who propose to avail Home Loan under the normal scheme with mortgage of property and usual margins, but are unable to offer cash margin, liquid securities may be accepted in lieu of cash margin
- (c) Structured repayment options

EMIs in line with the repayment norms applicable to regular Home Loans, subject to renewal of the securities pledged on maturity till the liquidation of the loan. (Part delivery of the scrips pledged will be permitted once in a year subject to advance value of the remaining securities covering the outstanding loan amount).

**OR**

Repayment of the loan out of the proceeds of the securities offered, as and when they mature. However, the borrower should arrange to service the monthly interest. Check-off authority/Post-dated cheques should be obtained in line with instructions for an amount equivalent of 1/12<sup>th</sup> of approximate annual interest obligations.

- (d) To ensure proper end use of funds, other extant instructions regarding sanction of Home Loans viz. evidence of the purchase/construction of house/flat or repairs/renovation/addition should be insisted upon i.e. (i)obtaining copy of approvals, approved plans, estimates, bills, copy of the title deeds, Agreement of Sale etc.(ii)pre-sanction/post sanction inspection (iii)stage wise disbursement of instalments (in case of purchase/construction of houses/flats under construction) (iv) insurance coverage of the property financed etc.

- (e) Agreement to Mortgage should be obtained with a view to further strengthen security in addition to Security Delivery letter and Form A/A1/A2 to pledge the deposits standing in the name of all/some/third party.

The above value added options will enable the Bank :-

- (a) To offer 100% financing of the project cost.
- (b) To effectively meet the latent needs and tap the business potential emanating from **the niche segment comprising, HNIs, Affluent and Mass Affluent, NRIs, highly paid executives and software professionals etc.,** with bright prospects to tap their deposits and opportunity to cross sell other products.
- (c) As the entire loan/margin will be secured by liquid securities, the bank will be able to fully hedge the risks on account of possible dip in real estate prices in the medium/long term.
- (d) The acceptance of our term deposits (including NRI./FCNB deposits) will enable us to retain the deposits and to boost the Home Loan portfolio, apart from reinforcing the loyalty factor.

5. All other extant stipulations governing regular Home Loans will be applicable to the loans sanctioned under the Scheme. i.e. purpose, eligibility parameters including computation of income, moratorium, repayment period, interest rates, processing fee, margin, penal interest for delayed payments, pre-closure penalty, inspection, documentation, discretionary powers to sanction loans under Scheme of Delegation of Financial Powers, discretionary powers to quote improvement in pricing, Option to avail loans under 'SBI-Gram Niwas', 'SBI-Realty (purchase of land)', 'SBI-Flexi' and 'SBI-Maxgain' Home Loans, free personal accident insurance cover, optional group insurance cover from SBI-Life etc.

## 'SBI-OPTIMA' ADDITIONAL HOME LOANS

- a) Top Up Loans to the existing Home Loan Borrowers maintaining a satisfactory repayment record for a minimum period of 3 years to meet their requirements for repairs, renovations to their existing residential house/flat, and purchase of furniture and fixtures and consumer durables etc.
- b) In case of take-over the loan should have a satisfactory repayment record of 3 years and it should be a Standard Asset with the present Bank/HFC
- c) Can avail once in five years with a maximum of three times for the entire tenure of the existing Home Loan.
- d) EMI/NMI Ratio (including existing & proposed )not to be exceeded 60%
- e) Facility: Term Loan

### BACKGROUND

A significant portion of our Home Loan portfolio consists of loans granted for long tenures of 5 to 20 years. During the course of such long relationships, many occasions arise when borrowers face serious financial crunch as a consequence of foreseen/unforeseen contingencies which entail substantial expenditure, like expenditure for major repairs, renovations and additions to the residential house/flat as also for purchase of furniture and fixtures and consumer durables etc.

2. Further, the market offers bright prospects for take-over of Home Loans from other Banks/Housing Finance Companies (HFCs) where the borrowers prefer refinance of their loans to take advantage of interest rate benefits. With a view to tapping the significant business potential for balance transfer and to offer an attractive and comprehensive deal to Home Loan borrowers of other Banks/HFCs, major players in Home Loans extend Top Up Loans to enable these borrowers to meet their requirements for repairs, renovations and addition to their existing residential house/flat, purchase of furniture and fixtures and consumer durables etc.

3. As we do not have any customized product variants to finance such contingencies, many of our Home Loan borrowers, whose conduct of loan accounts is satisfactory with good repayment record, are compelled to meet their urgent funds requirements by raising loans from other avenues, which are generally granted for short tenures upto 24 months and carry high interest rates. As a result of the steep increase in their repayment obligations the borrowers, notwithstanding their prompt repayment record hitherto, often find it difficult to service their Home Loans regularly resulting in temporary/permanent irregularities and ultimate slippage of the loans to NPA category. Also, our marketing initiatives targeted at take-over of Home Loans do not meet with the required success due to non availability of provision for Top Up Loans.

4. In view of the foregoing and with a view to (a) maintaining the long term relationship with Home Loan borrowers,(b) ensuring continued customer loyalty, (c) making our Home Loan Scheme more customer- friendly by extending value-added facilities (d) improving our competitive edge in the market (e) optimally tapping the significant potential for take-over of Home Loans a customized Home

Loan product, 'SBI-Optima' Additional Home Loans has been introduced w.e.f. 15<sup>th</sup> April 2007 to the existing Home Loan borrowers maintaining a satisfactory repayment record for a minimum period of 3 years and also in respect of take-over of Home Loans, where the existing Home Loan account is conducted satisfactorily for a minimum period of 3 years with the existing Bank/HFC. Accordingly, the loans will be offered at competitive interest rates and with customer friendly features. As the Additional Home Loans will be an extension of our Home Loan Scheme with built in provision for sanction of additional Home Loans, the borrowers will automatically be entitled to avail these loans, promptly and in a hassle free manner, subject to meeting the stipulated eligibility criterion. Salient features of the scheme are as under:

Parameter	Features	
Purpose	To meet expenditure towards major repair, renovation and addition to their residential house/flat as also for purchase of furniture and fixtures and consumer durables etc.	
Product CIS code		
Eligibility	Home Loan borrowers with a satisfactory repayment record of 3 years and whose loan is Standard Asset. In case of take-over the loan should have a satisfactory repayment record of 3 years and the loan account should be a Standard Asset with the present Bank/HFC.	
Maximum number of occasions to avail the loans during the tenure of the existing Home Loan (Eligibility for second/third loan will be subject to satisfactory conduct of existing Home Loan/other loans)	Eligibility	Maximum number of occasions for availing of the loan
	After 5 years & upto 10 years of existing loan	Once
	After 10 years and upto 15 years of existing loan	Once (In addition to the 'SBI Optima', if any, availed after 5 yrs upto 10 yrs.)
	After 15 years and upto 20 years of existing loan	Once (In addition to the 'SBI Optima', if any, availed after 5 yrs 10 yrs and above 10 years and upto 15yrs, if any)
Eligible Loan amount	<p>a. 18 times Net Monthly Income (NMI) for salaried persons or 1 ½ times Net Annual Income (NAI) of the borrower in respect of professional/self employed / businessmen / agriculturists, with provision to club income of his/her spouse.</p> <p>(Net income after netting income-tax and EMIs of the existing Home Loan &amp; other P-</p>	

	<p>segment loans) <u>or</u></p> <p>b. 25% of the original project cost of house/flat <u>or</u></p> <p>c. 85% of the cost of repair, renovation and addition (based on Architect's or Civil Engineer's estimates). <u>or</u></p> <p>d. the gap between 85% of the current market price of the flat/house and the actual outstanding loan dues</p> <p><b>XIII. Whichever is lowest</b></p> <p>The aggregate EMI of the existing Home Loan, other P-Segment Loan(s) and the proposed Additional Home Loan(s) to NMI <b><u>should not exceed 60%</u></b>.</p> <p>Copy of approved plan and approval from Appropriate Authority should be obtained for loans involving additional construction.</p>
Type of loan	Term Loan
Disbursement	In stages in respect of additional construction and in lumpsum in other cases
Repayment	Repayment for maximum period upto the residual maturity of the existing Home Loan, by way of check-off facility/ post-dated cheques, to commence from 2 months after date of final disbursement or completion of the work whichever is earlier
Rate of Interest	Home Loan interest rate as applicable to the repayment tenure opted by the borrower
Processing fee	0.50% of the loan amount (incl. service tax)
Security	Extension of charge over the property mortgaged to Bank for the existing Home Loan. Upto date Non-Encumbrance Certificate will be obtained . Third party guarantee of person(s) who guaranteed the existing Home Loan
Interest rate concessions Documentation/Pre-payment penalty/Pre and post-sanction procedure	As per extant instructions applicable to Home Loans
Inspection	Every 3 years after initial inspection(s) at the time of disbursement. Should repayments fall into arrears for two successive months, inspection to be done immediately. <i>For NPA accounts : At quarterly intervals</i>
Discretionary powers	To be exercised as per the Delegation of Powers advised by the respective LHOs in respect of Home Loans

Papers to be submitted	<ul style="list-style-type: none"><li data-bbox="730 76 1461 230">(i) Copy of latest salary certificate/salary slip, Form-16 and IT returns in respect of salaried individuals showing gross salary, deductions and net salary</li><li data-bbox="730 230 1461 385">(ii) Copy of IT returns with enclosures for the last year duly acknowledged by ITO in respect of professionals and self employed, businessmen and others.</li><li data-bbox="730 385 1461 461">(iii) Proof of income certified by revenue authorities in respect of agriculturists</li></ul>
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**'SBI-HOME LINE' SPECIAL PERSONAL LOANS**

- (a) Product meant to maintain long term relationship with Home Loans with a focus to reinforce the customer loyalty
- (b) An effective tool to aggressively market take-over of quality loans specially big ticket loans from Foreign Banks/Private Sector Banks, by extending need based top up loans (The product excludes take-over from other nationalized Banks and HDFC, to preclude unhealthy competition)
- (c) In-built provision to sanction **Personal Loans to Home Loan borrowers** with a satisfactory repayment record of 3 years and whose loan is a Standard Asset, at periodic intervals, which ensure hassle free sanction of loans to eligible borrowers.
- (d) Waiver of stipulation for credit scoring.
- (e) Competitive interest rates, linked to Home Loan interest rates
- (f) Low processing fee
- (g) Long repayment period co-terminus with the residual maturity on the existing original Home Loan.
- (h) Mortgage linked product, with better security coverage and minimizing the chances of delinquency.

**PRODUCT FEATURES:**

<b>Parameter</b>	<b>Features</b>	
Purpose	General purpose loan against mortgage of immovable property	
Eligibility	Home Loan borrowers with a satisfactory repayment record of 3 years and whose loan is a Standard Asset. (In case of take-over, the loan will be made available only in respect of loans taken over from Foreign Banks/Private Sector Banks/HFC's excluding HDFC and Nationalized Banks. In case of take-over, the loan should have a satisfactory repayment record of 3 years and the loan account should be a Standard Asset with the present Bank/HFC)	
Maximum number of occasions to avail the loans during the tenure of the Original Home Loan (Eligibility for second/third loan will be subject to satisfactory conduct of existing Home/other loans )	Tenure	Maximum number of occasions for availment of the loan
	Above 5 years & upto 10 years	Once
	Above 10 years and upto 15 years	Twice
	Above 15 years and upto 20 years	Three times
Eligible Loan amount	18 times Net Monthly Income(NMI) (for salaried borrowers / 1 ½ times Net Annual Income(NAI) (for	

	professionals/self-employed/ businessmen/ agriculturists, with provision for clubbing income of his/her spouse. (after netting income tax and EMIs of the existing Home Loan & other P-segment loans availed, if any) The aggregate EMI of the existing Home Loan, other P-Segment Loan(s) and the proposed Special Personal Loan to NMI should not exceed 60%.
Credit Scoring	In view of the availability of extension of charge over the property mortgaged to us for Home Loan and satisfactory conduct of the Home Loan for a period of 3 years, <i>credit scoring is waived.</i>
Rate of Interest	50 bps above the Home Loan interest rate applicable to the repayment tenure opted by the borrower (floating rates only), prevailing as on the date of sanction of 'SBI-Home Line' Special Personal Loans.
Processing fee	0.50% of the loan amount (including service tax)
Repayment	Repayment for maximum period upto the residual maturity of the existing original Home Loan, by way of check-off facility/ post-dated cheques, to commence one month after date of final disbursement.
Security	Extension of charge on the property mortgaged to Bank for the existing Home Loan. Upto date Non Encumbrance Certificate to be obtained. Third party guarantee of persons who guaranteed the existing Home Loan
Pre and post sanction procedure/Documentation	<i>As per extant instructions applicable to Personal Loans</i>
Inspection	Every 3 years after initial inspection(s) at the time of disbursement. Should repayments fall into arrears for two successive months, inspection to be done immediately. <i>For NPA accounts : At quarterly intervals.</i>
Discretionary powers	To be exercised as per the Delegation of Powers advised by the respective LHOs in respect of Personal Loans against mortgage of immovable property.
Papers to be submitted	(a) Copy of latest salary certificate/salary slip, Form-16 and IT returns in respect of salaried individuals showing gross salary, deductions and net salary. (b) Copy of IT returns with enclosures for the last year duly acknowledged by ITO in respect of professionals and self employed, businessmen and others.

**LIST OF CIRCULARS CONSOLIDATED IN THE MASTER CIRCULARS**

<b>Sr. No.</b>	<b>e_circular No. (Department Serial No)</b>	<b>Date</b>	<b>Subject</b>
1	<i>Manual on Loans &amp; Advances Part-IV</i>	31/03/2004	<i>Personal Segment Advances</i>
2	<u>206/2005 - 06</u> (NBG/PBU/HL/3/2005 - 06)	26/08/2005	'SBI-NRI' Home Loans
3	<u>210/2005 - 06</u> (NBG/PBU/HL/4/2005 - 06)	26/08/2005	Home Loans Fixed Interest Rates
4	<u>216/2005 - 06</u> (NBG/PBU/HL/5/2005 - 06)	30/08/2005	Recovery of lawyer, valuer fees
5	<u>458/2005 - 06</u> (NBG/PBU/HL/7/2005 - 06)	21/01/2006	"SBI-Freedom" Home Loans
6	<u>467/2005 - 06</u> (NBG/PBU/HL/9/2005 - 06)	25/01/2006	'SBI-Tribal Plus' Home Loans
7	<u>471/2005 - 06</u> (NBG/PBU/HL/10/2005 - 06)	28/01/2006	NPA Management : Pre-EMI Capitalisation
8	<u>484/2005 - 06</u> (NBG/PBU/HL/11/2005 - 06)	02/06/2006	Home Loans - Modified Application Form
9	<u>515/2005 - 06</u> (NBG/PBU/HL/13/2005 - 06)	16/02/2006	Modified guidelines for approval of Builders
10	<u>549/2005 - 06</u> (NBG/PBU/HL/15/2005 - 06)	03/02/2006	Home Loans - Modification in minimum age norms
11	<u>550/2005 - 06</u> (NBG/PBU/HL/16/2005 - 06)	03/02/2006	Advances -Penal interest on irregular loans
12	<u>551/2005 - 06</u> (NBG/PBU/HL/17/2005 - 06)	03/02/2006	Guidelines for check-off
13	<u>567/2005 - 06</u> (NBG/PBU/HL/18/2005 - 06)	03/10/2006	Home Loans - Interest applied during moratorium period
14	<u>568/2005 - 06</u> (NBG/PBU/HL/19/2005 - 06)	03/10/2006	Home Loans - Mitigation of risks on account of multiple financing/ submission of forged title deeds
15	<u>569/2005 - 06</u> (NBG/PBU/HL/20/2005 - 06)	03/10/2006	Investigation of title of the property for legal opinion
16	<u>003/2006 - 07</u> (NBG/PBU/HL/1/2006 - 07)	04/10/2006	New product - 'SBI-Optima' additional Home Loans
17	<u>081/2006 - 07</u> (NBG/PBU/HL/3/2006 - 07)	26/05/2006	'SBI-Realty' Home Loans
18	<u>083/2006 - 07</u> (NBG/PBU/HL/5/2006 - 07)	26/05/2006	Home Loans- Modification in eligibility criteria
19	<u>089/2006 - 07</u> (NBG/PBU/HL/6/2006 - 07)	31/05/2006	Home Loans-Title Deeds verification/search report
20	<u>093/2006 - 07</u> (NBG/PBU/HL/7/2006 - 07)	06/06/2006	Processing fee
21	<u>094/2006 - 07</u> (NBG/PBU/HL/8/2006 - 07)	06/06/2006	Home Loans - Modification of eligibility criteria-Computation of expected rent accruals

22	<u>108/2006 - 07</u> (NBG/PBU/HL/9/2006 - 07)	15/06/2006	Home Loans 'SBI-Home Line' Personal Loans
23	<u>121/2006 - 07</u> (NBG/PBU/HL/10/2006 - 07)	19/06/2006	Home Loans - Tie-up with reputed Builders
24	<u>122/2006 - 07</u> (NBG/PBU/HL/11/2006 - 07)	19/06/2006	Home Loans-Modification in Security Documents
25	<u>123/2006 - 07</u> (NBG/PBU/HL/12/2006 - 07)	20/06/2006	Home Loans-option to avail loan at the place of construction
26	<u>140/2006 - 07</u> (NBG/PBU/HL/13/2006 - 07)	23/06/2006	Home Loans and Car Loans-Free Personal Accident Insurance Cover
27	<u>145/2006 - 07</u> (NBG/PBU/HL/14/2006 - 07)	24/06/2006	Advances -Operational Risk Management
28	<u>146/2006 - 07</u> (NBG/PBU/HL/15/2006 - 07)	24/06/2006	Advances NPA Management - submission of Irregularity Reports
29	<u>223/2006 - 07</u> (NBG/PBU/HL/19/2006 - 07)	08/02/2006	'SBI-Gram Niwas' Rural Home Loans-Modification in terms of NABARD's model scheme on sanitation
30	<u>256/2006 - 07</u> (NBG/PBU/HL/22/2006 - 07)	14/08/2006	Home Loans - Modifications
31	<u>400/2006 - 07</u> (NBG/PBU/HL/23/2006 - 07)	11/06/2006	Loan for Earnest Money Deposit for allotment of Plot/House /Flat - review and modifications
32	<u>401/2006 - 07</u> (NBG/PBU/HL/24/2006 - 07)	11/06/2006	Home Loans-Rationalization of pre- sanction Inspection Sheet
33	<u>414/2006 - 07</u> (NBG/PBU/HL/25/2006 - 07)	11/11/2006	SBI Realty : Modification -Maximum period allowed for commencement of Construction
34	<u>449/2006 - 07</u> (NBG/PBU/HL/26/2006 - 07)	28/11/2006	SBI Home Loans - Execution of documents by constituted attorneys of Defence Employees
35	<u>591/2006 - 07</u> (NBG/PBU/HL/27/2006 - 07)	02/03/2007	Home Loans- (i)adding back Depreciation to the net income (ii) Reimbursement of Investment
36	<u>704/2006 - 07</u> (NBG/PBU/HL/30/2006 - 07)	32/03/2007	Home Loans for NRIs & PIOs
37	<u>045/2007 - 08</u> (NBG/PBU/HL/2/2007 - 08)	20/04/2007	Home Loans-Rationalisation of EMI- NMI Ratio, LTV Ratio, Maximum age of the borrower
38	<u>046/2007 - 08</u> (NBG/PBU/HL/3/2007 - 08)	20/04/2007	Home Loans - Authority Structure for Administrative Clearance
39	<u>048/2007 - 08</u> (NBG/PBU/HL/5/2007 - 08)	23/04/2007	Home Loans - Product Promotion - engagement of Builders as Marketing Associates - payment of service charges
40	<u>122/2007 - 08</u> (NBG/PBU/HL/6/2007 - 08)	30/05/2007	Home Loans - Takeover-funding of pre-payment penalty

41	<u>216/2007 - 08</u> (NBG/PBU/HL/7/2007 - 08)	20/07/2007	Personal Accident Insurance Cover-renewal of MOU with the New India Assurance Co. Ltd.
42	<u>231/2007 - 08</u> (NBG/PBU/HL/8/2007 - 08)	28/07/2007	Home Loans - Prepayment Penalty
43	<u>236/2007 - 08</u> (NBG/PBU/HL/9/2007 - 08)	08/03/2007	SBI Home Cash - Personal Loan is sanctioned against home equity to SBI Home Loan Borrowers
44	<u>256/2007 - 08</u> (NBG/PBU/HL/10/2007 - 08)	08/09/2007	Home Loans - Interest Rate Concession on LTV of 75% or less
45	<u>328/2007 - 08</u> (NBG/PBU/HL/11/2007 - 08)	24/08/2007	Physical verification of properties mortgaged to the bank
46	<u>313/2007 - 08</u> (NBG/PBU/HL/12/2007 - 08)	32/08/2007	SBI Home Cash - Concessions to Staff
47	<u>341/2007 - 08</u> (NBG/PBU/HL/13/2007 - 08)	09/06/2007	EMI reset - Home Loans on floating rate of interest
48	<u>377/2007 - 08</u> (NBG/PBU/HL/14/2007 - 08)	25/09/2007	EMI Reset - failed auto regeneration of EMI -CBS
49	<u>380/2007 - 08</u> (NBG/PBU/HL/15/2007 - 08)	27/09/2007	SBI Reverse Mortgage Loan
50	<u>404/2007 - 08</u> (NBG/PBU/HL/17/2007 - 08)	10/08/2007	Home Loans - Asset Valuation / Revaluation Policy w e f 01.04.2008
51	<u>405/2007 - 08</u> (NBG/PBU/HL/18/2007 - 08)	10/08/2007	SBI Reverse Mortgage Loan - Documents & Staff Rates
52	<u>416/2007 - 08</u> (NBG/PBU/HL/20/2007 - 08)	10/10/2007	Term loans - Dispensing with obtention of Revival Letters
53	<u>422/2007 - 08</u> (NBG/PBU/HL/21/2007 - 08)	13/10/2007	Home Loans - Modifications to Product
54	<u>447/2007 - 08</u> (NBG/PBU/HL/22/2007 - 08)	19/10/2007	Home Loan - Revised Affidavit
55	<u>481/2007 - 08</u> (NBG/PBU/HL/24/2007 - 08)	11/07/2007	SBI Realty - Modifications
56	<u>482/2007 - 08</u> (NBG/PBU/HL/25/2007 - 08)	11/07/2007	Renaming of SBI Home Cash to SBI Home Plus
57	<u>483/2007 - 08</u> (NBG/PBU/HL/26/2007 - 08)	11/07/2007	Engagement of Builders as Marketing Associates - enlargement of scope
58	<u>484/2007 - 08</u> (NBG/PBU/HL/27/2007 - 08)	11/07/2007	Home Loans - SBI Gram Niwas - Modifications
59	<u>485/2007 - 08</u> (NBG/PBU/HL/28/2007 - 08)	11/07/2007	SBI Maxgain - Modifications
60	<u>530/2007 - 08</u> (NBG/PBU/HL/34/2007 - 08)	12/05/2007	Home Loans - Modified Arrangement Letter and Loan Agreement
61	<u>599/2007 - 08</u> (NBG/PBU/HL/37/2007 - 08)	01/10/2008	Home Loans - SBI Website - Online sourcing of applications
62	<u>603/2007 - 08</u> (NBG/PBU/HL/38/2007 - 08)	14/01/2008	SBI Reverse Mortgage Loan - Registration of Will
63	<u>618/2007 - 08</u> (NBG/PBU/HL/39/2007 - 08)	22/01/2008	Home Loans-Green Housing-Interest Rate Concessions
64	<u>668/2007 - 08</u> (NBG/PBU/HL/43/2007 - 08)	14/02/2008	SBI Home Plus - Modifications

65	<u>669/2007 - 08</u> (NBG/PBU/HL/44/2007 - 08)	14/02/2008	Personal Segment Advances - Term Loans- Dispensing with obtention of Revival Letters (RLs)
66	<u>680/2007 - 08</u> (NBG/PBU/HL/46/2007 - 08)	21/02/2008	Home Loans: Floating Rates Loans- EMI Reset
67	<u>683/2007 - 08</u> (NBG/PBU/HL/47/2007 - 08)	22/02/2008	Home Loans-Modifications - (I) Loan Tenor (ii) Administrative Clearance For pari passu Charge
68	<u>684/2007 - 08</u> (NBG/PBU/HL/48/2007 - 08)	22/02/2008	Home Loans-Floating Rate Home Loans-Asset Classification
69	<u>710/2007 - 08</u> (NBG/PBU/HL/50/2007 - 08)	03/07/2008	Home Loans-SBI Maxgain-credits before completion of disbursement
70	<u>711/2007 - 08</u> (NBG/PBU/HL/51/2007 - 08)	03/10/2008	Home Loans-Frauds
71	<u>717/2007 - 08</u> (NBG/PBU/HL/52/2007 - 08)	13/03/2008	Home Loans - Floating Rate of Interest- Asset Classification
72	<u>25/2008 - 09</u> (NBG/PBU/HL/02/2008 - 09)	17/04/2008	Home Loans - Common Irregularities
73	<u>26/2008 - 09</u> (NBG/PBU/HL/03/2008 - 09)	17/04/2008	LHO/ZO/RO Redesign - Discretionary Powers of DGM(Module)
74	<u>27/2008 - 09</u> (NBG/PBU/HL/04/2008 - 09)	17/04/2008	Home Loans - Loan to Value (LTV) Ratio
75	<u>71/2008 - 09</u> (NBG/PBU/HL/06/2008 - 09)	05/07/2008	Home loan to Businessmen
76	<u>72/2008 - 09</u> (NBG/PBU/HL/07/2008 - 09)	05/07/2008	Home Loans - Modified Arrangement Letter and Loan Agreement
77	<u>73/2008 - 09</u> (NBG/PBU/HL/08/2008 - 09)	05/07/2008	SBI Reverse Mortgage Loan (RML) - Will/Revised Documents-Inspection Frequency
78	<u>89/2008 - 09</u> (NBG/PBU/HL/09/2008 - 09)	14/05/2008	Home Loans - Platinum Age Limit (PAL) Scheme
79	<u>90/2008 - 09</u> (NBG/PBU/HL/10/2008 - 09)	14/05/2008	Home Loan to Businessmen - Clarification
80	<u>112/2008 - 09</u> (NBG/PBU/HL/12/2008 - 09)	28/05/2008	SBI Reverse Mortgage Loan - Single Name
81	<u>138/2008 - 09</u> (NBG/PBU/HL/13/2008 - 09)	06/07/2008	Home Loans-Frauds-Importance of Verification Of Boundaries
82	<u>155/2008 - 09</u> (NBG/PBU/HL/14/2008 - 09)	20/06/2008	Home Loans - Sourcing - Empanelment of Home Loan Counselors (HLCs) at Branches linked to RACPCs.
83	<u>156/2008 - 09</u> (NBG/PBU/HL/15/2008 - 09)	20/06/2008	Home Loan to Businessmen
84	<u>167/2008 - 09</u> (NBG/PBU/HL/16/2008 - 09)	25/06/2008	PBBU - Concessions under Plus Schemes & Credit Khazana
85	<u>183/2008 - 09</u> (NBG/PBU/HL/19/2008 - 09)	07/03/2008	Rephasing of Home Loan Repayment Schedule
86	<u>184/2008 - 09</u> (NBG/PBU/HL/20/2008 - 09)	07/03/2008	Home Loan-NPA Management- Taking over Assets for the Bank's use

87	<u>271/2008 - 09</u> (NBG/PBU/HL/21/2008 - 09)	08/11/2008	Home Loans - Rephasement of Home Loan Repayment Schedule-Authority to AGM(SARC)
88	<u>314/2008 - 09</u> (NBG/PBU/HL/23/2008 - 09)	09/02/2008	Home Loans-Interest Rates- Introduction of New Amount tier above rs.75 lacs
89	<u>363/2008 - 09</u> (NBG/PBU/HL/25/2008 - 09)	27/09/2008	SBI Home Line-Modifications
90	<u>445/2008 - 09</u> (NBG/PBU/HL/27/2008 - 09)	27/10/2008	Home Loans - Revaluation - Capital Charge
91	<u>446/2008 - 09</u> (NBG/PBU/HL/28/2008 - 09)	27/10/2008	Home Loans - Margin
92	<u>503/2008 - 09</u> (NBG/PBU/HL/32/2008 - 09)	19/11/2008	Home - SBI Maxgain Upper Ceiling
93	<u>506/2008 - 09</u> (NBG/PBU/HL/32/2008 - 09)	19/11/2008	Home Loans - Review of Discretionary Powers
94	<u>507/2008 - 09</u> (NBG/PBU/HL/33/2008 - 09)	19/11/2008	Home Loans - Safeguards against Frauds
95	<u>547/2008 - 09</u> (NBG/PBU/HL/34/2008 - 09)	12/12/2008	Home Loans, Standardization of formats for Proposals /Control Reports submitted to WBCC /CCCC/ECCB
96	<u>570/2008 - 09</u> (NBG/PBU/HL/35/2008 - 09)	23/12/2008	Rephasement of Home Loan Repayment Schedule
97	<u>571/2008 - 09</u> (NBG/PBU/HL/36/2008 - 09)	23/12/2008	Empanelment of Home Loan Counsellors
98	<u>572/2008 - 09</u> (NBG/PBU/HL/37/2008 - 09)	23/12/2008	New Product - SBI Special Home Loan Scheme
99	<u>573/2008 - 09</u> (NBG/PBU/HL/38/2008 - 09)	23/12/2008	Home Loans - Margin
100	<u>586/2008 - 09</u> (NBG/PBU/HL/40/2008 - 09)	30/12/2008	Engagement of Builders as Marketing Associates (MA)
101	<u>613/2008 - 09</u> (NBG/PBU/HL/41/2008 - 09)	13/01/2009	RBI - Special Regulatory Treatment for Asset Classification; Home Loans - Restructuring
102	<u>640/2008 - 09</u> (NBG/PBU/HL/42/2008 - 09)	22/01/2009	Home Loans - Take over - Modifications
103	<u>655/2008 - 09</u> (NBG/PBU/HL/43/2008 - 09)	03/02/2009	Home Loans - Processing Fee - Upfront collection
104	<u>657/2008 - 09</u> (NBG/PBU/HL/44/2008 - 09)	04/02/2009	SBI Happy Home Loan Offer & SBI Lifestyle Loan
105	<u>726/2008 - 09</u> (NBG/PBU/HL/45/2008 - 09)	07/03/2009	Green Home Loan
106	<u>727/2008 - 09</u> (NBG/PBU/HL/46/2008 - 09)	07/03/2009	Take Over Norms for Home Loans
107	<u>740/2008 - 09</u> (NBG/PBU/HL/47/2008 - 09)	17/03/2009	Home Loans - Frauds Preventive Vigilance
108	<u>741/2008 - 09</u> (NBG/PBU/HL/48/2008 - 09)	17/03/2009	SBI Lifestyle Loan, SBI Happy Home Loan Offer, Takeover Norms
109	<u>742/2008 - 09</u> (NBG/PBU/HL/49/2008 - 09)	18/03/2009	SBI Special Home Loan Scheme - Property Held in joint names

110	<u>745/2008 - 09</u> (NBG/PBU/HL/50/2008 - 09)	30/12/2008	Home Loans – Extension of Moratorium
111	<u>72/2009-2010</u> NBG/PBU/HL/PM/01/09-10	27/04/2009	Discretionary Powers & Relaxation in Take-over Norms
112	<u>75/2009-2010</u> NBG/PBU/HL/PM/02/09-10	27/04/2009	Sbi Happy Home Loan Offer
113	<u>81/2009-2010</u> NBG/PBU/HL/PM/03/09-10	27/04/2009	Discretionary Powers
114	<u>179/2009-2010</u> NBG/PBU/HL/PM/04/09-10	23/06/2009	SBI Easy Home Loan
115	<u>186/2009-2010</u> NBG/PBU/HL/PM/05/09-10	23/06/2009	SBI Advantage Home Loan
116	<u>187/2009-2010</u> NBG/PBU/HL/PM/06/09-10	23/06/2009	SBI Spl. Home Loan -Closure
117	<u>198/2009-2010</u> NBG/PBU/HL/PM/07/09-10	27/06/2009	SBI Advantage Document Correction
118	<u>241/2009-2010</u> NBG/PBU/HL/PM/09/09-10	29/06/2009	NRI Home Loan - Review
119	<u>274/2009-2010</u> NBG/PBU/HL/PM/10/09-10	02/07/2009	SBI Spl. Home Loan Scheme Special Disbursement Window
120	<u>275/2009-2010</u> NBG/PBU/HL/PM/11/09-10	05/08/2009	SBI My Home Campaign
121	<u>300/2009-2010</u> NBG/PBU/HL/PM/12/09-10	10/08/2009	SBI My Home Campaign - Enablers
122	<u>302/2009-2010</u> NBG/PBU/HL/PM/13/09-10	29/09/2009	Moratorium Period
123	<u>539/2009-2010</u> NBG/PBU/HL/PM/14/09-10	27/10/2009	SBI My Home Campaign – Extn. Of period for Disbursement
124	<u>558/2009-2010</u> NBG/PBU/HL/PM/15/09-10	07/11/2009	Home Loans – Moratorium Period
125	<u>563/2009-2010</u> NBG/PBU/HL/PM/17/09-10	09/11/2009	Home Loans – Processing Fee
126	<u>598/2009-2010</u> NBG/PBU/HL/PM/18/09-10	25/11/2009	Loans sourced under SBI My Home Campaign – Extn. Of cut off date for Delivery
127	<u>601/2009-2010</u> NBG/PBU/HL/PM/19/09-10	27/11/2009	RBI Guidelines for CRE Exposure
128	<u>675/2009-2010</u> NBG/PBU/HL/PM/20/09-10	05/01/2010	MASTER CIRCULAR HOME LOANS
129	<u>684/2009-2010</u> NBG/PBU/HL/PM/21/09-10	11/01/2010	MY HOME CAMPAIGN II
130	<u>685/2009-2010</u> NBG/PBU/HL/PM/22/09-10	11/01/2010	MARGIN MONEY CONCESSION UP TO 31.03.2010
131	<u>688/2009-2010</u> NBG/PBU/HL/PM/23/09-10	14/01/2010	FRAUDS - PREVENTION, DETECTION AND CONTROL (PDC)



132	<u>781/2009-2010</u> NBG/PBU/HL/PM/24/09-10	20/02/2010	SPECIAL HOME LOANS SCHEME LIST OF HOME LOANS COVERED BY SBILIFE ISSUE OF LETTER TO CUSTOMERS
133	<u>816/2009-2010</u> NBG/PBU/HL/PM/25/09-10	05/03/2010	INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP)
134	<u>817/2009-2010</u> NBG/PBU/HL/PM/26/09-10	05/03/2010	MY HOME CAMPAIGN II - MODIFICATION DOCUMENT
135	<u>854/2009-2010</u> NBG/PBU/HL/PM/27/09-10	25/03/2010	ENGAGING RETIRED BANK OFFICERS AS ASSET MANAGEMENT CONSULTANTS (AMCS) AT RACPCS
136	<u>44/2010-2011</u> NBG/PBU/HL/PM/1/10-11	27/04/2010	SPECIAL HOME LOANS SCHEME - LIST OF HOME LOANS COVERED BY SBILIFE
137	<u>51/2010-2011</u> NBG/PBU/HL/PM/2/10-11	30/04/2010	HOME LOANS - INTEREST RATES FOR LOANS SOURCED BETWEEN 1ST MAY 2010 AND 30TH JUNE 2010
138	<u>56/2010-2011</u> NBG/PBU/HL/PM/3/10-11	05/05/2010	HOME LOAN PRODUCT CODES MAY 2010
139	<u>86/2010-2011</u> NBG/PBU/HL/PM/4/10-11	14/05/2010	SBI REALTY : MODIFICATIONS (I) CEILING, (II) MARGIN, (III) RISK MITIGANTS
140	<u>88/2010-2011</u> NBG/PBU/HL/PM/5/10-11	15/05/2010	SBI EARNEST MONEY DEPOSIT (EMD) SCHEME : MODIFICATIONS (I) MINIMUM INCOME, (II) MARGIN, (III) LOAN AMOUNT, (IV) SECURITY
141	<u>150/2010-2011</u> NBG/PBU/HL/PM/6/10-11	14/06/2010	INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP) ,(I) INCOME CEILING IN RESPECT OF EWS/LIG (II) BUDGET ALLOCATION
142	<u>151/2010-2011</u> NBG/PBU/HL/PM/7/10-11	14/06/2010	HOME LOAN CAMPAIGN 2010-11 : 'OPERATION EXCEL'
143	<u>155/2010-2011</u> NBG/PBU/HL/PM/8/10-11	15/06/2010	HOME LOANS - INTEREST RATES W.E.F. 1ST APRIL 2010--CBS PRODUCT CODES
144	<u>185/2010-2011</u> NBG/PBU/HL/PM/8/10-11	26/06/2010	HOME LOANS : MODIFICATIONS, I) EMI/NMI RATIO, (II) MARGIN, (III) CIBIL CREDIT ETC.

145	<u>217/2010-2011</u> NBG/PBBU/HL/AX/13/10-11	05/07/2010	HOME LOANS-NATIONAL BUILDERS TIE-UPS UPDATING OF BUILDERS TIE-UP- <a href="http://10.1.1.13/bptu/">http://10.1.1.13/bptu/</a>
146	<u>250/2010-2011</u> NBG/PBBU/HL/PM/14/10-11	19/07/2010	PERSONAL BANKING BUSINESS UNIT: PENAL INTEREST POLICY
147	<u>307/2010-2011</u> NBG/PBBU/HL/AX/15/10-11	04/08/2010	HOME LOAN COUNSELORS (HLCs): REMUNERATION
148	<u>377/2010-2011</u> NBG/PBBU/HL/PM/18/10-11	23/08/2010	SBI SURAKSHIT HOME LOAN: HOME LOANS WITH LIFE COVER
149	<u>378/2010-2011</u> NBG/PBBU/HL/PM/17/10-11	23/08/2010	HOME LOANS: SBI HOME LOAN PAL (Pre-Approved Limit)
150	<u>455/2010-2011</u> NBG/PBBU/HL/PM/19/10-11	06/09/2010	HOME LOANS: BUILDER TIE-UP OWNERSHIP
151	<u>468/2010-2011</u> NBG/PBBU/HL/PM/20/10-11	16/09/2010	HOME LOANS: PRODUCT CODES SBI SURAKSHIT HOME LOAN
152	<u>475/2010-2011</u> NBG/PBBU/HL/PM/21/10-11	22/09/2010	HOME LOANS: DISCONTINUATION OF FOUR PRODUCTS
153	<u>500/2010-2011</u> NBG/PBBU/HL/PM/22/10-11	27/09/2010	INTEREST RATES: SBI EASY HOME LOAN, SBI ADVANTAGE HOME LOAN AND ENHANCEMENT OF CEILING ON SBI MAXGAIN HOME LOAN TO RS. 1 CR.
154	<u>520/2010-11</u> <u>NBG/PBU/HL/PM/23/2010-11</u>	30/09/2010	FESTIVAL SEASON OFFER: TRIPLE H+