



Vastupurti Home Loan Scheme

(I) Who is eligible?

Any individual, group of individuals, HUF (on merits) are eligible to apply for the loan. Group of individuals should be close relatives e.g. father, mother and son/s, husband and wife, two brothers along with parents in case of joint family (This is just an illustration. There could be some other combination of close relatives acceptable to the Bank). The applicant/s should be from area of operations of the Bank.

(II) Purpose:

- (a) To purchase/construct house/flat on ownership basis, including purchase of already constructed flat/house which has atleast 30 years of future life.
- (b) To renovate/extend existing house/flat.
- (c) To purchase a plot of land for construction of house thereon (The applicant should submit plan of the proposed house at the time of application).

(III) Quantum of Finance & Margin:

Whichever is lower of the following:

- (a) 85% of Agreement Value + Registration Charges + Stamp Duty
- (b) Four times of Gross Annual Income.
- (c) The proportion of net Income to repayment obligation of existing loan/s plus EMI towards proposed Housing Loan should be at least one and half times. In other words

Net Income

$$\text{_____} = 1.5$$

Total repayment burden

Note:

The borrower should have minimum subsistence amount left for the family after meeting installments of present loans, if any and proposed Housing Loan. The Sanctioning Authority may decide upon 'minimum subsistence amount' on case to case basis.

- (d) Maximum Rs.25.00 Lakh per borrower
- (e) For repairs additions, alterations, etc. the maximum loan amount would be Rs.2.00 Lakh per borrower.

(I) Rate of Interest: @12.5% p.a.



(II) Repayment:

- (a) Maximum 15 years including moratorium of 18 months from the date of first disbursement or completion of house/flat whichever is earlier.
- (b) The repayment should not extend beyond retirement age of borrower who is salaried employee. In any case the repayment period should not extend beyond 65 years of borrower's age.
- (c) Interest charged during moratorium period should be served on monthly basis.

(III) Security:

- (a) Equitable Mortgage of house/flat situated in Mumbai where documents/chain of documents of the property are clear and there is no adverse remark in Title/Search Report of the property.
Registered Mortgage of house/flat situated outside Mumbai i.e. beyond Dahisar in Western Suburbs of Mumbai and beyond Mulund in case of Eastern Suburbs of Mumbai. The Sanctioning Authority may insist on Registered Mortgage of house/flat situated in Mumbai in case of any doubt on clarity of documents to the property.
- (b) Guarantee of two persons acceptable to the Bank of whom one should preferably be salaried person.
- (c) Bajaj Allianz Loan protector Insurance Policy in the name of borrower/s to cover loan amount. If the borrower/s already have Life Insurance Policy the same will be taken into account to cover amount of loan.
- (d) The Branches should explore possibility of Collateral Security in the nature of NSCs, KVPs, IVPs, etc. wherever possible.

(IV) Additional Guidelines:

- (b) Pre-sanction Inspection: The Recommending Authority must carry out pre-sanction inspection of present residence, proposed residence and employment/business place of applicant/s before recommending the proposal. The Inspecting Authority should exercise due diligence by making detailed enquiries with neighbouring land/property owners, builders, existing flat owners, etc. and satisfy himself/herself about correct identification and approximate valuation of the property. The Inspecting Authority should also satisfy



himself/herself about credit worthiness of applicant, his/her family background, culture, employment / business status, etc.

- (c) An architect appointed by the Bank must certify valuation and legality of the property i.e. sanctioned plan by the concerned Local Authority, Commencement Certificate, Occupation Certificate, etc.
- (d) Title/Search Report for last 12 to 14 years must be obtained from Bank's approved advocate.
- (e) NOC should be obtained from Builder/Society in Bank's format for granting loan to the applicant. In case of MHADA property or flats allotted under '10% Quota', NOC from MHADA as well as the society should be obtained.
- (f) In case of incomplete house/flat disbursement should be done in stages as per the progress in construction as certified by Bank's approved architect or as per the judgement of Visiting Official of the Bank.
- (g) The borrower should undertake to produce 'Completion Certificate' within three months of the date of final disbursement in case of new construction.
- (h) Bank's charge should be registered with the Builder/Society on final disbursement and letter to that effect should be obtained from the Builder/Society.
- (i) Share Certificate duly transferred in the name of borrower should be obtained where society is already registered. Close watch should be kept on property in respect of which society is not yet formed.
- (j) In case of ready-possession flat in Mumbai/ Navi Mumbai Occupation Certificate must be obtained before considering finance.
- (k) The flat/house should be insured with ICICI Lombard for the requisite amount.
- (l) Penal Interest @2% p.a. will be levied on overdue amount/defaulted instalment until the account is brought into order.
- (m) The Branch should obtain receipts towards each disbursement, promptly. Preferably the seller or builder's representative should be called at Branch for handing over DD/ Pay Slip and receipt should be obtained on the spot.
- (n) Possession letter shall be obtained from builder/seller on full payment.
- (o) In case of 'Take Over of Housing Loan' NOC from the existing financier along with list of documents held by them should be obtained before entertaining the proposal. In such cases, Bank's employee should be sent to such previous financier for delivering DD/Pay



Slip and their acknowledgement should be obtained immediately along with undertaking to deliver original documents of the property to the Bank's representative within three days of receipt of DD/Pay Slip.