

HOUSING FINANCE SCHEME FOR INDIVIDUALS

1) ELIGIBILITY

Individuals. Joint owners are also eligible.

2) PURPOSE

- a) For construction of house or purchase of house / flat. Loan can also be extended for purchase of land/plot for house building.
- b) For purchase of house / flat from the original allottee, i.e. on first power of attorney basis, where the Housing Board / Development Agencies, permit conversion of leasehold property into freehold to the allottee of property.

However, Advance is not permitted against plots purchased on power of attorney basis.

- c) For carrying out repairs / renovation / additions / alterations / cost of furnishing to the house / flat.

3) EXTENT OF LOAN

- a) **Need-based loan** for construction of house or purchase of house / flat depending upon the project cost and repaying capacity of the borrower. However, **maximum** amount of **Rs.10 lacs** can be sanctioned for purchase of **land/plot** for house building.
- b) Maximum amount of loan for construction of house or purchase of **complete house / flat** from **Private Builders** shall be up to **Rs.20 lacs only**.
- c) For repairs / renovation / additions / alterations, the maximum amount of loan shall not exceed **Rs.20 lacs**.
- d) Cost of furnishing may be included in the project cost maximum up to 10% of the amount of loan permissible for the purpose of repair / renovations / additions / alterations which is maximum Rs. 20 lacs (i.e. maximum amount of loan for Cost of **furnishing** shall be up to **Rs. 2 lacs**).

4) MARGIN

- a) For construction of house or purchase of house/flat or for carrying out repairs/renovation/additions/alterations to existing house/flat :
20% (Acquisition cost of plot including stamp duty and registration charges, if any, paid by the borrower be also considered towards margin money).
- b) For purchase of land/plot for house building :
40%

5) RATE OF INTEREST

As per L&A Circular no. 9/07 dt.20.06.2007 (Subject to change as per circular issued from time to time). Presently,

| Housing Finance to Individuals | Fixed Option | Floating Option |
|-----------------------------------|---------------------|------------------------|
| For repayment period | | |
| - Up to 5 years | 10.25 | 9.00 |
| - Over 5 years to 10 years | 11.00 | 9.25 |
| - Over 10 years to 20 years | 11.25 | 9.50 |
| - Over 20 years to 25 years | 11.75 | 10.00 |

FOR PURCHASE OF PLOT/LAND

In case construction of the house is not completed within 2 years from date of disbursement of the loan or in case the plot/land is sold, interest rate for clean Overdraft presently **16.50% p.a.** be charged from the disbursement of the loan.

6) SECURITY

- a) Equitable / registered mortgage of the property.
- b) Where mortgage can not be created immediately in situations like house/flat is being purchased / allotted by the Housing Board, Development Authorities or Co-operative Society, and title / conveyance deed are executed in favour of purchaser only after completion of construction & possession/ making full payment of the cost of house/flat, **a stamped Tripartite Agreement be executed** amongst Housing Board/Development Authority/Co-operative Society, the intending borrower and the Bank before release of the loan. (By entering into Tripartite Agreement among authority/seller, allottee/purchaser and bank, bank gets direct privity with the authority/seller.)

To secure such loan, guarantee of person(s) acceptable to the Bank be obtained.

- c) In respect of purchase of house/flat **on first power of attorney basis**, equitable/registered mortgage of some other property/pledge of Govt. Security, NSCs, KVPs, IVPs/PSU bonds (where interest is being serviced regularly)/banks' FDR/LIC policies (surrender value), etc., **equal to 125%** of the loan amount be obtained.
- d) In situations where :
 - i) the mortgage by deposit of Title Deeds is not possible, the property being an Ancestral Property (without Title Deeds).
 - OR**
 - ii) there is delay in execution / unwillingness to execute a stamped Tripartite Agreement by Housing Board / Development Authority/Co-operative Society, the sanctioning authority may accept, at its discretion, equitable / registered mortgage of some other property / pledge of Government security, NSCs, KVPs, IVPs / PSU Bonds (where interest is being serviced regularly) / bank's FDR / LIC Policies (surrender value) etc. The value of such security so obtained should be equal to 125% of the loan amount. The details of such situations, along with reasons of obtaining alternative security as detailed above, must clearly be specified in the sanction note by sanctioning authority.

7) GUARANTEE

Suitable guarantee acceptable to the Bank may be obtained which may also include guarantee from family members/other relatives.

8) DISBURSEMENT

- a) For outright purchase of house/flat & plot, the loan will be paid in lump sum to the vendor at the time of registration after satisfying that borrower has paid / provided for the balance amount/his contribution.
- b) For house/flat under construction, the loan amount will be disbursed in stages depending on progress of construction and/or demand raised by selling agency after ensuring that the borrower has invested his pro rata share towards required margin.
- c) For construction of house on a vacant land or reconstruction and / or remodelling of or addition to an existing house loan to be disbursed in stages depending upon the progress of construction. Normally the loan should be disbursed in three stages, viz,
 - i) 20% on execution of the document.
 - ii) 50% when the construction has reached the plinth level and
 - iii) 30% when the construction has reached the roof level.

9) INSURANCE

The property will be kept fully insured for fire, riots and wherever required, against other appropriate hazards, such as earthquake, flood, etc. by the borrower with usual bank clause.

Subsidiaries of General Insurance Corporation are issuing insurance policy, specifically to cover risks relating to housing. These policies are called "Fire Policy A", which cover risks such as fire, lightning, riot, strike, terrorism, storm, cyclone, typhoon, hurricane, tornado, flood, inundation, earthquake, fire & shock. These policies can also be issued on one time basis for a period of 10 years at a reduced premium i.e. 50% of the normal premium.

10) REPAYMENT

- a) Loan along with interest is to be re-paid in equated monthly instalments within a period of **25** years, inclusive of moratorium period, if any. Moratorium or repayment holiday may be permitted where the house/flat are constructed till completion of construction or 18 months from the date of disbursement of first instalment of the loan, whichever is earlier.

Further, in those cases where a moratorium period is allowed by the sanctioning authority, where loan is allowed for construction purposes, it may be ensured that the amount of expected accrued interest, on **monthly** compounded basis, for the period of moratorium is added to the Loan (Principal) amount presuming that the entire loan is disbursed on the date of first disbursal itself and EMI calculated accordingly.

Therefore, it is desirable that the prospective borrower is suitably advised and given the option, at his/her specific request, of either :

- i. repaying the interest component chargeable in the account during the period of moratorium and EMI thereafter;

OR

- ii. in case borrower exercises the option of not paying interest during the moratorium period, interest component chargeable in the account for the moratorium period would be spread over the EMIs for the entire repayment period. The EMI in such cases be appropriately worked out and advised presuming that the entire loan is disbursed on the date of first disbursement itself.

This is explained by an example hereunder :

EXAMPLE

- | | | | |
|------|---|---|----------------|
| i) | Amount of Loan sanctioned and disbursed say | - | Rs. 500000/- |
| ii) | Repayment period allowed say | - | 15 years |
| iii) | Moratorium period allowed say | - | 18 months |
| iv) | Rate of interest | - | 11.25% p.a. |
| v) | EMI on Rs. 591447/- inclusive of interest for the moratorium period of 18 months presuming that entire loan is disbursed on the date of first disbursement itself | - | Rs.6802/- p.m. |

(Rs. 500000/- (Principal) + Rs.91447/- (interest for 18 months).

It may be noticed that the EMI without adding the interest for the moratorium period would be Rs.5750/- only (i.e. Rs.1150/- per lac multiplied by 5 = Rs.5750).

Incumbents should ensure to clarify the exact position to the prospective borrower to avoid any anticipated Business Loss for quoting a higher EMI.

Further, the aforesaid provision of moratorium period be developed and promoted / used as an effective marketing tool by the field functionaries.

In case of loans to individual members of Group Housing Societies, the repayment shall start from immediate subsequent month after the final disbursement of the loan.

- b) In case of purchase of ready built house/ flat or land/plot, the repayment to start after the date of possession or 3 months from the date of advance whichever is earlier.
- c) Repayment should be fixed on a realistic basis, which should not normally exceed 50% of gross income. The income of the spouse and **earning children** (whether married or unmarried) should be taken into account for determining the income for the purpose of borrowers' repaying capacity. Income of the joint owners of the property may also be added for determining the repaying capacity. In such cases, they should be made **co-borrower**.

In case of **self employed individuals** the **gross income** may be arrived at by **adding** amount of **depreciation to the Net Profit** amount and repaying capacity be assessed accordingly.

Likely rental income, if the property is to be let out be also considered for determining the repaying capacity.

- d) Sanctioning authority may consider fixing the monthly instalments on **graduated basis**, if there is reasonable expectation of growth in the income in the coming years on specific request from the borrower.
- e) Repayment of the loan along with interest should not ordinarily extend beyond the age of 65 years of borrower. **RDM and above** may relax repayment up to the age of 70 years. In case loan is allowed to joint owners, it should be ensured that at least one of the joint owners should be able to repay the loan along with interest maximum up to the age of 65 years.
- f) In order to ensure that regular instalments are received and defaults are minimized it be ensured as under :

Minimum 24 Advance Cheques signed by borrower towards repayment of monthly instalments along with Letter of Deposits be obtained. However, when the number of cheques with the branch reaches six (6), the borrower to give additional 24 cheques duly signed. This system of giving additional cheques shall continue till the adjustment of the loan.

OR

Irrevocable Letter of Authority from the borrower to the employer for either remitting the salary to the bank **or** for remitting the monthly instalment for repayment of loan to the bank. An acknowledgement of the said letter of authority from the employer be kept on record. Further, in cases where employer remits the salary to the bank, an irrevocable letter of authority from the borrower be obtained for debiting the amount of instalment to the SF Account.

Illustrative chart indicating EMI to cover repayment of principal and interest is available as at **Proforma - I**.

11) UPFRONT FEE & DOCUMENTATION CHARGES

Upfront Fee and Documentation charges be charged in terms of L & A Circular No.27/06 dated 07.09.2006 (Subject to change as per circular issued from time to time). Presently,

Upfront fee

| | | |
|--|---|------------------------------------|
| Up to Rs.25000/- | : | NIL |
| Above Rs.25000/- and Up to Rs.2.0 Lakh | : | Rs.300/- |
| Above Rs.2.0 Lakh | : | Rs.250/- per lakh or part thereof. |

Documentation charge : Rs.1500/-

50% of the **upfront fee** is to be levied **on receipt of the proposal** and balance after sanction of loan. In case the loan proposal is declined or the loan sanctioned is not availed by the customer within a period of 6 months, upfront fee recovered shall be forfeited after giving due notice to the borrower.

12) CONFIDENTIAL REPORT

Confidential Report on borrower and guarantor is to be prepared.

13) LOANING POWERS

As per L&A Circular no.16/07 dt.31.08.07 (Subject to change as per circular issued from time to time). Presently,

| Scale I | Scale II | Scale III | RDM | GM | CHAIRMAN |
|----------------|-----------------|------------------|------------|-----------|-----------------|
| NIL | NIL | 300000/- | 1500000/- | 2000000/- | FULL |

14) PRE PAYMENT CHARGE

To avoid Take over/shifting of Housing Loan accounts by other Banks / financial institutions a **flat pre-payment charge of 2% be recovered** from all those borrowers who intend to shift their Housing Loan Accounts to some other Banks / Financial Institutions by way of availment of loan from such banks / financial institutions.

However, such a charge will not be recoverable from those borrowers who pre-pay their loan from their own sources.

15) ISSUANCE OF INTEREST CERTIFICATES

An interest certificate may be issued to the borrower(s) who have availed housing loan from the bank for availing benefits under the provisions of income tax act on the prescribed proforma (**Annexure-15**).

16) OTHER GUIDELINES

- a) Need-based bank credit (*within the overall limit of Rs.20 lacs*) as housing finance can be extended for repairs, addition, etc. to a *building/house/flat* irrespective of whether it is owner occupied or tenant occupied. For this purpose, estimate of cost of repair / addition, etc., and the certificate of completion of work done be obtained from qualified engineer/architect.
- b) Requests for additional finance may also be considered for carrying out alterations/ additions/repairs to the house/flat already financed by the Bank.
- c) There is no bar in providing finance to a person who or whose spouse already having house or flat in his/her name.
- d) In case of **default in repayment** of loan, the borrower shall be liable to pay **penal interest @ 2%** over and above the applicable rate on the amount of default and for the period of default. An undertaking to this effect shall be obtained from the borrower.
- e) In case of finance for purchase of plot/land/flat/ house, sanctioning authority to ensure that the title of the same is marketable and free from encumbrances.
- f) **Sanctioning Authority may permit takeover** of housing loan accounts from other financial institutions / banks. However, Sanctioning Authority, while taking over the loans shall ensure that housing loan accounts with other financial institutions / banks are **running regular** with no defaults in payment of interest / instalments.
- g) Bank finance extended to a person who is already owning a house in the town/village where he resides for buying/constructing a second house in the same town/village or in other town/village for the

purpose of self-occupation, may be considered as Direct Housing Finance for the purpose of achievement of annual housing finance target.

- h) Bank finance extended for purchase of house/borrower who proposes to let it out on rental basis on account of his posting outside the Head Quarter or because he has been provided accommodation by his employer, may be treated as Direct Housing Finance for the purpose of achievement of annual housing finance target.
- i) Bank finance extended to a person who proposes to buy an old house wherein he is presently residing as a tenant may be classified as Direct Housing Finance for the purpose of achievement of annual housing finance target.
- j) **Statement of account** of prospective borrower(s) **minimum for last six months** be obtained. In case of salaried employees, statement of account should be of that account in which their salary is being credited. In other cases it should be of an account whose declaration has been made in the income tax returns. This is to **facilitate ascertaining** general conduct of the account including **other borrowings**.

17) DOCUMENTATION

A. For **Purchase of built house/flat/dwelling unit** from individual(s) in the name(s) of the borrower(s).

- a) Application-cum-appraisal / sanction form.

Following documents be obtained along with loan application :

- i) Proof of Address
- ii) Proof of Income
- iii) Proof of Title of the Vendor
- iv) Agreement to sell along with original receipts of payment of earnest money etc. made by the borrower (s) to the vendor.
- v) Plan of the House/Flat to be purchased.
- vi) Attested copy of completion certificate, if obtained.
- vii) In case of leasehold property, letter of authority from appropriate authority permitting transfer and mortgage of the property.
- viii) Non-Encumbrance Certificate
- b) Agreement for Housing Loan (**Annexure -1**)
- c) Irrevocable Power of Attorney in favour of the bank to carry out obligations of the borrower(s) under the Loan Agreement (**Annexure - 2**)
- d) Agreement of Guarantee
- e) Letter from the borrower(s) to exercise the option of rate of interest (**Annexure-11**)
- f) Irrevocable letter of authority from the borrower(s) authorising the employer to remit salary/instalment and other amount payable to the Bank cum letter of acknowledgement from employer (**Annexure-13**), Letter of authority (**Annexure-14**) **OR**

- Advance cheques signed by the borrower repaying monthly instalments along with the letter of deposit (**Annexure-12**)
- g) Authority for insuring and payment of premium
 - h) Brief confidential Report
 - i) Any other document which may be necessary as per requirement of the case.

B. For Purchase of Plot/Land.

- a) Application-cum-appraisal / sanction form

Following documents be obtained along with loan application :

- i) Proof of Address
- ii) Proof of Income
- iii) Proof of Title of the Vendor
- iv) Agreement to sell along with original receipts of payment of earnest money etc. made by the borrower (s) to the vendor.
- v) In case of leasehold plot/land, letter of authority from appropriate authority permitting transfer and mortgage.
- vi) Non-Encumbrance Certificate
- b) Declaration from the borrower(s) at the time of application (**Annexure - 3**)
- c) Agreement for Housing Loan (**Annexure - 4**)
- d) Equitable Mortgage/Mortgage Deed (**Annexure - 5**)
- e) Agreement of Guarantee
- f) Letter from the borrower to exercise the option of rate of interest (**Annexure-11**)
- g) Irrevocable letter of authority from the borrower(s) authorising the employer to remit salary/instalment and other amount payable to the Bank cum letter of acknowledgement from employer (**Annexure-13**), Letter of authority (**Annexure-14**) **OR** Advance cheques signed by the borrower repaying monthly instalments along with the letter of deposit (**Annexure-12**)
- h) Brief confidential Report
- i) Any other document which may be necessary as per requirement of the case.

C. For Construction/Repair/Renovation/Addition /Alteration/Cost of Furnishing

- a) Application-cum-appraisal/sanction form

Following documents be obtained along with loan application :

- i) Proof of Address
- ii) Proof of Income
- iii) Attested copy of Sale Deed/Lease Deed
- iv) In case of construction / addition / alteration, plan approved by the competent authority.
- v) Estimate of construction / repair / renovation / addition / alteration by a qualified Civil Engineer / Architect.
- vi) In case of leasehold property, letter of authority from appropriate authority permitting mortgage.
- vii) Non-Encumbrance Certificate

- b) Agreement for Housing Loan (**Annexure - 1**)
- c) Equitable Mortgage/Mortgage Deed (**Annexure - 5**)
- d) Agreement of Guarantee
- e) Letter from the borrower(s) to exercise the option of rate of interest (**Annexure-11**)
- f) Irrevocable letter of authority from the borrower(s) authorising the employer to remit salary/instalment and other amount payable to the Bank cum letter of acknowledgement from employer (**Annexure-13**), Letter of authority (**Annexure-14**) **OR** Advance cheques signed by the borrower repaying monthly instalments along with the letter of deposit (**Annexure-12**)
- g) Authority for insuring and payment of premium
- h) Brief confidential Report
- i) Any other document which may be necessary as per requirement of the case.

D. For Purchase of House/Flat from Development Authority/Housing Board/Private Builders/Group Housing Society.

- a) Application-cum-Appraisal/ sanction form
Following documents be obtained along with loan application
 - i) Proof of Address
 - ii) Proof of Income
 - iii) Agreement to Sell/Letter of Allotment/Brochure of Scheme and other relevant correspondence between the borrower(s) and vendor regarding sale and purchase of the property.
 - iv) Receipts of payments made by the borrower (s) to Development Authority/Group Housing Society etc.
 - iv) In case the house/flat is to be purchased on leasehold basis, letter of authority from vendor(s)/other authority permitting mortgage of the property by the borrower.
 - v) In case of proposal of members of Group Housing Societies, a letter from the Society duly signed on its letterhead (**Annexure 6**)
- b) Agreement for Housing Loan (**Annexure - 1**)
- c) Irrevocable Power of Attorney in favour of the bank (**Annexure-2**)
- d) (i) Tripartite Agreement (**Annexure - 7**)
(ii) In case of Housing Loan to members of Group Housing Societies, Tripartite Agreement be obtained as per (**Annexure - 8**) and the share certificate issued by the concerned Society in respect of borrower(s) own holding in its capital together with transfer deed signed in blank for the said share be also obtained.
- e) Agreement of Guarantee
- f) Letter from the borrower(s) to exercise the option of rate of interest (**Annexure-11**)
- g) Irrevocable letter of authority from the borrower(s) authorizing the employer to remit salary/instalment and other amount payable to the Bank cum letter of acknowledgement from

employer (**Annexure-13**), Letter of authority (**Annexure-14**) **OR** Advance cheques signed by the borrower repaying monthly instalments along with the letter of deposit (**Annexure-12**)

- h) Authority for insuring and payment of premium
- i) Brief confidential Report
- j) Any other document which may be necessary as per requirement of the case.

E. For Purchase of leasehold property on Power of Attorney/ Agreement to sell basis

- a) Application-cum-Appraisal / sanction form

Following documents be obtained along with loan application :

- i) Proof of Address
 - ii) Proof of Income
 - iii) Proof of title of vendor
 - iv) Proof of possession of Vendor
 - v) Non-Encumbrance Certificate
 - vi) Agreement to sell & Original receipts of payments made by the borrower(s) to Vendor.
- b) Agreement for Housing Loan (**Annexure -1**)
 - c) Irrevocable Power of Attorney in favour of the bank (**Annexure - 2**)
 - d) Power of Attorney executed by the Vendor.
 - e) 'Will' of the vendor.
 - f) A letter of awareness from the vendor(**Annexure -9**)
 - g) Letter of possession from vendor (**Annexure -10**)
 - h) Agreement of Guarantee
 - i) Equitable Mortgage/Mortgage Deed (**Annexure -5**)
 - j) In case security by way of pledge of Govt. security, NSCs, KVPs, IVPs, etc. is offered, prescribed guidelines of the bank be followed.
 - k) Letter from the borrower(s) to exercise the option of rate of interest (**Annexure -11**)
 - l) Irrevocable letter of authority from the borrower(s) authorising the employer to remit salary/instalment and other amount payable to the Bank cum letter of acknowledgement from employer (**Annexure-13**), Letter of authority (**Annexure-14**) **OR** Advance cheques signed by the borrower repaying monthly instalments along with the letter of deposit (**Annexure-12**)
 - m) Authority for insuring and payment of premium
 - n) Brief confidential Report
 - o) Any other document which may be necessary as per requirement of the case.

20). CLASSIFICATION OF HOUSING FINANCE UNDER PRIORITY SECTOR

Following type of loan shall be classified under Priority Sector Advance:

i) DIRECT FINANCE

a) Loans up to Rs.5 lacs and Rs.10 lacs in rural/semi-urban areas and urban/metro areas respectively.

b) Loans up to Rs.50,000/- for repairs to damaged houses granted to individuals.

Housing loans granted to our employees shall not be reckoned under Priority Sector Lending.

ii) INDIRECT FINANCE

a) Assistance given to any Governmental agency for construction of houses, or for slum clearance and rehabilitation of slum dwellers, subject to the ceiling of Rs.5 lacs of the loan amount per housing unit.

b) Assistance given to a non-governmental agency approved by the National Housing Bank (NHB) for the purpose of refinance for construction of houses or for slum clearance and rehabilitation of slum dwellers subject to a ceiling of Rs.5 lacs of loan amount per housing unit.

c) Investment in bonds issued by NHB / HUDCO exclusively for finance of housing, irrespective of loan size per dwelling unit will be reckoned for inclusion in the priority sector advances.

21). CLASSIFICATION OF CONSTRUCTION ACTIVITIES

The working group appointed by RBI to examine the role of banking system in providing finance from housing scheme submitted its report in 1978. The Group classified construction activities in the following three categories:

i) Categories of building construction activities eligible for bank credit as 'Housing Finance' and inclusion in the yearly allocation.

ii) Categories of construction activities eligible for bank credit but not to be included in the 'Housing Finance' allocation.

- iii) Categories of construction activities not eligible for bank credit.

a) Bank credit eligible for inclusion in the Housing Finance Target under Annual Housing Finance Allocation.

The following types of bank credit will be eligible for being treated as 'housing finance' under the Annual Housing Finance Allocation.

- (i) (i) Direct housing finance up to Rs.5 lakh provided for dwelling in semi-urban areas and up to Rs.10 lakh provided in urban/metropolitan areas.
- (ii) (ii) Finance provided for construction of residential houses to housing agencies like HUDCO, Housing Boards, local bodies, individuals, Cooperative Societies, employers, etc. excepting the housing finance of the nature mentioned at **(b)** under the title '**Bank Credit not eligible for inclusion in the Housing Finance Allocation**' below, priority being accorded for financing construction of houses meant for economically weaker sections, low income group and middle income group.
- (iii) (iii) Finance for construction of educational, health, social, cultural or other institutions/centers, which are part of a housing project and which are necessary for the development of settlements or townships.
- (iv) (iv) Finance for shopping complexes, markets and such other centers catering to the day to day needs of the residents of the housing colonies and forming part of a housing project.
- (v) (v) Finance for construction meant for improving the conditions in slum areas for which credit may be extended directly to the slum dwellers on the guarantee of the Government, or indirectly to them through the State Government agencies.
- (vi) (vi) Bank credit given for slum improvement schemes to be implemented by Slum Clearance Boards and other public agencies.
- (vii) (vii) Finance provided to –
 - (a) (a) the bodies constituted for undertaking repairs to house, and
 - (b) (b) the owners of building /house/flat, whether occupied by themselves or by tenants, to meet the need based requirements for their repairs/additions, after satisfying themselves regarding the estimated cost (for which requisite certificate should be obtained from an Engineer/Architect, wherever necessary) and obtaining such security as deemed appropriate.

- (viii) (viii) Housing Finance provided by banks for which refinance is availed of from National Housing Bank (NHB).
- (ix) (ix) Investment in the guaranteed/non-guaranteed bonds and debentures of NHB/HUDCO in the primary market, provided investment in non-guaranteed bonds is made only if guaranteed bonds are not available.

b) Bank Credit not eligible for inclusion in the Housing Finance Allocation.

The following types of bank credit for construction will not be reckoned for the purpose of achievement of housing finance allocation.

- (i) (i) Housing Finance granted by banks to their own employees.
- (ii) (ii) Housing finance granted to non-resident Indians (NRIs) direct or through Housing Finance Institutions.
- (iii) (iii) Direct housing loans in excess of Rs.5 lakh and Rs.10 lakh provided in semi-urban/rural areas and Urban/Metropolitan centers, respectively.
- (iv) (iv) Housing loans taken over by banks from other banks.
- (v) (v) Industries manufacturing building material for construction.
- (vi) (vi) Construction of warehouses, including those to be constructed for Food Corporation of India, godowns and cold storages.
- (vii) (vii) Building which do not form a part of housing project like hospitals, clinics, schools, colleges, markets, shopping centers and cinema houses.
- (viii) (viii) Construction of hotels and accommodation for tourist and commercial offices.
- (ix) (ix) Construction of hostels.

c) Construction activities not eligible for bank credit.

- (i) (i) Banks should not grant finance for construction of buildings meant purely for Government/Semi-Government offices, including Municipal and Panchayat Offices. However, banks may grant loans for activities, which will be refinanced by institutions like NABARD.
- (ii) (ii) Projects undertaken by public sector entities which are not corporate bodies (i.e. public sector undertakings which are not registered under Companies Act or which are not corporations established under the relevant statute) may not be financed by

banks. Even in respect of projects undertaken by corporate bodies, as defined above, banks should satisfy themselves that the project is run on commercial lines, and the Government is interested in promoting the project either for the benefit of the weaker sections of the society or otherwise, and a part of the project cost is met by the Government through subsidies made available and/or contributions to the capital of the institutions taking up the project, the bank finance should be restricted to an amount arrived at after reducing from the total project cost the amount of subsidy/ capital contribution receivable from the Government and any other resources proposed to be made available by the Government.

- (iii) (iii) Banks had, in the past, sanctioned term loans to corporations set up by Government like State Police Housing Corporation, for construction of residential quarters for allotment to employees where the loans were envisaged to be repaid out of budgetary allocations. As these projects cannot be considered to be run on commercial lines, it would not be in order for banks to grant loans to such projects.

22). INDIRECT HOUSING FINANCE

A. GENERAL

In terms of RBI guidelines, Bank should ensure that their indirect housing finance is channeled by way of term loans to housing finance institutions, housing boards, other public housing agencies, etc., primarily for augmenting the supply of serviced land and constructed units, it should also be ensured that the supply of plots/houses is time bound and public agencies do not utilize the bank loans merely for acquisition of land. Similarly serviced plots should be sold by these agencies to co-operative societies, professional developers and individuals with a stipulation that the houses should be constructed thereon within a reasonable time, not exceeding three years. For this purpose, the banks may take advantage of various guidelines issued by NHB for augmenting the supply of serviced land and constructed units.

B. LENDING TO HOUSING INTERMEDIARY AGENCIES

a) LENDING TO HOUSING FINANCE INSTITUTIONS

- (i) (i) Banks may grant term loans to housing finance institutions taking in to account (long term) debt equity ratio, track record, recovery performance and other relevant factors.
- (ii) (ii) In terms of NHB guidelines, housing finance companies' total borrowings, whether by way of deposits, issue of debentures/bonds,

loans and advances from banks or from financial institutions but excluding any loans obtained from NHB, should not exceed 10 to 15 times of their net owned funds (i.e. paid-up capital and free reserves less accumulated balance of loss, deferred revenue expenditure and intangible assets).

- (iii) (iii) In respect of housing finance companies, which are eligible to draw refinance from NHB, the quantum of term loan to be sanctioned to them will not be linked to net owned funds as NHB has already prescribed the above referred ceiling on total borrowings of housing finance companies. A list of housing finance companies approved by NHB for the purpose of refinance may be obtained directly from NHB.
- (iv) The quantum of term loans to be granted by banks to other housing finance institutions, together with outstanding balances in the existing term loans, if any, from the banking system, should not exceed three times of their net owned funds as per the last audited balance sheet, within the overall ceiling fixed by NHB.

b) LENDING TO HOUSING BOARDS AND OTHER AGENCIES

The bank may extend term loans to State level Housing Boards and other public agencies. While extending the loans, bank must not only keep in view the past performance of these agencies in the matter of recovery from the beneficiaries but they should also stipulate that the Board will ensure prompt and regular recovery of loan instalments from the beneficiaries.

c) FINANCING OF LAND ACQUISITION

The bank may extend finance to public agencies for acquisition and development of land, provided it is a part of the complete project including development of infrastructure such as water systems, drainage, roads, provision of electricity, etc. Such credit may be extended by way of term loans. The project should be completed as early as possible and, in any case, within three years, so as to ensure quick re-cycling of bank funds for optimum results. If the project covers construction of houses, credit extended therefore in respect of individual beneficiaries should be on the same terms and conditions as stipulated for direct finance.

d) TERMS AND CONDITIONS FOR LENDING TO HOUSING INTERMEDIARY AGENCIES.

- (i) (i) In order to enhance the flow of resources to housing sector, term loans may be granted by banks to housing intermediary agencies against the direct loan sanctioned/ proposed to be sanctioned by the latter, irrespective of the per borrower size of the loan extended by these agencies and such term loans would be reckoned for the purpose of achievement of their housing finance allocation.

- (ii) (ii) Banks can grant term loans to housing intermediary agencies against the direct loans sanctioned/proposed to be sanctioned by them to Non-Resident Indians also. However, banks should ensure that housing finance intermediary agencies being financed by them, are authorized by RBI to grant housing loans to NRI as all housing finance intermediaries are not authorized by RBI to provide housing finance to NRIs. Further, such finance granted by banks to housing finance intermediary agencies against the latter's on-lending to NRIs will not be treated as housing finance for the purpose of scheme of yearly allocation of housing finance applicable to banks.
- (iii) (iii) The rate of interest on term loans extended by bank to housing finance intermediary agencies for on lending to Indian residents is advised through L & A Circular from time to time which, at present, is **MINIMUM PLR/PTLR**.

C. TERM LOANS TO PRIVATE BUILDERS

In view of the important role played by professional builders as providers of construction services in the housing field, especially where land is acquired and developed by State Housing Boards and other public agencies, bank may extend credit to private builders on commercial terms by way of loans linked to each specific project. The period of credit for loans extended by bank to private builders may be decided by banks themselves based on their commercial judgement subject to usual safeguards and after obtaining such security as banks may deem appropriate. Such credit may be extended to builders of repute, employing professionally qualified personnel. It should be ensured, through close monitoring, that no part of such funds is used for any speculation in land. Care should also be taken to see that prices charged from the ultimate beneficiaries do not include any speculative element, that is, prices should be based only on the documented price of land, the actual cost of construction and a reasonable profit margin.

D. LOANING POWERS

Assistance by way of indirect finance will be provided directly by HO.

23). GENERAL

While financing housing projects, if any need arises for obtaining a particular type of agreement, the same may be got approved by legal retainer locally available in consultation with respective Regional Manager, and if necessary, by Law Department, HO New Delhi.

EARNEST MONEY DEPOSIT SCHEME

PURPOSE

For meeting Earnest Money Deposit (EMD) requirements to apply for allotment of Plot / Flat / House under the Schemes floated by State Housing Boards (SHB) / Urban Development Authorities (UDA).

ELIGIBILITY

Individuals as well as Joint Owners where State Housing Board / Urban Development Authority undertakes to give Refund Orders / Allotment Letter/ Forfeited amount in full to our Bank subject to eligibility of the applicants for the proposed loan and future requirement for housing loan under our existing Housing Loan Scheme for Public.

AMOUNT OF LOAN

80% of EMD subject to maximum of Rs.2.00 lacs. However, in case of Plot / Land, it shall be 60% of the EMD subject to a maximum of Rs.2.00 lacs.

MARGIN

- ➤ 20% of earnest money deposit in case of House / Flat.
- ➤ 40% in case of Plot / Land.

RATE OF INTEREST

PTLR +1% (presently 13% p.a.).

NATURE OF LOAN

Demand Loan.

SECURITY

The amount deposited with State Housing Board / Urban Development Authority.

REPAYMENT

To be adjusted in lump-sum on declaration of allotment process:

- i) i) In case of unsuccessful applicants - By Refund Order.
- ii) ii) In case of successful applicants eligible and interested for availing Housing Loan under our existing Housing Loan Scheme for Public - By Housing Loan.
- iii) iii) In case of successful applicants not interested in raising Housing Loan - The Loan shall be adjusted by the applicant from own sources through Bullet payment. In case of non-liquidation of EMD repayment - matter to be suitably taken with relevant State Housing Boards / Urban Development Authority.

- **GUARANTEE**

- Suitable Guarantee acceptable to the bank.

- **DISBURSEMENT**

- Full EMD direct to the State Housing Boards / Urban Development Authorities alongwith application on behalf of borrower.

- **LOANING POWERS**

- Incumbents of authorised branches (station-wise) as per orders of Zonal Manager after entering into MOU with the State Housing Board / Urban Development Authorities.

- **DOCUMENTATION**

- i) i) Loan application (**PNB 1054**). The form superscribed with 'Application for Earnest Money' may be used with suitable amendments.
- ii) ii) Agreement for Loan for Deposit of Earnest Money (**Annexure-24**).
- iii) iii) Agreement of Guarantee (PNB- 58).
- iv) iv) Consent letter for Refund Order (**Annexure-25**).
- v) v) Any other document which may be necessary as per requirement of the case.

- **UPFRONT FEE**

- As applicable from time to time.

- **REMITTING CHARGES**

- As applicable.

II. LENDING THROUGH AGENCIES / INSTITUTIONS (INDIRECT LENDING)

(Rs. In lacs)

| I T E M | Disbursed during the half year | | Outstanding at the end of the half year | |
|--|--------------------------------|--------|---|--------|
| | No. of A/Cs | Amount | No. of A/Cs | Amount |
| 1. | 2. | 3. | 4. | 5. |
| 20. Total (21+22+23+24+25+26) | | | | |
| 21. HUDCO | | | | |
| 22. State Housing Boards | | | | |
| 23. Other State Level Agencies | | | | |
| 24. Housing Finance Institutions (other than HDFC) | | | | |
| 25. HDFC | | | | |
| 26. Others | | | | |
| <u>OF WHICH FOR SC/ST</u> | | | | |
| 30. TOTAL (31+32+33+34+35+36) | | | | |
| 31. HUDCO | | | | |
| 32. State Housing Boards | | | | |
| 33. Other State Level Agencies | | | | |
| 34. Housing Finance Institutions (other than HDFC) | | | | |
| 35. HDFC | | | | |
| 36. Others | | | | |
| 40. Sub Total (10+20) | | | | |
| 41. Sub Total (11+13+30) | | | | |

III. INVESTMENTS IN GUARANTEED BONDS/DEBENTURES

(Rs. In lacs)

| I T E M | Disbursed during the half year | | Outstanding at the end of the half year | |
|---------|--------------------------------|--------|---|--------|
| | No. of A/Cs | Amount | No. of A/Cs | Amount |
| | | | | |

| 1. | 2. | 3. | 4. | 5. |
|--|----|----|----|----|
| 50. TOTAL (60+70+80+90) | | | | |
| Guaranteed Bonds/ Debentures | | | | |
| 60. National Housing Bank | | | | |
| 70. HUDCO | | | | |
| Other Bonds (i.e. not carrying any guarantee) | | | | |
| 80. National Housing Bank | | | | |
| 90. HUDCO | | | | |
| 100.GRAND TOTAL (40+50) | | | | |

INSTRUCTIONS FOR COMPILING THE STATEMENT

-
-

1. This statement should invariably be prepared horizontally on paper of foolscap size (32 cms x 21 cms), to facilitate computerized processing of the data. Further, the column numbers and item numbers should not be changed.
2. Data in Blocks I and II should be furnished for all-India and each State/Union Territory separately and in Block (III) for all-India only.
3. Amounts shown in Block I should be inclusive of housing loans in respect of which refinance from the National Housing Bank has been drawn.
4. Housing loans to banks' own employees should not be classified under the category 'Housing Finance' and should also not be included in this statement.
5. Loans to co-operative housing societies should be included under items 11 and 13 in Block I only if the number of SC/ST members is more than fifty percent of the total membership.
6. Rural - Places with population upto 10,000. Semi-urban - Places with population over 10,000 and upto 1,00,000.
7. 'Other State level agencies' at items 23 and 33 include, for example, rural/urban housing corporations, slum clearance boards, etc.

8. 'Others' at items 26 and 36 include city improvement trusts, city development authorities, local bodies, and construction companies/builders, land developers, etc.

**FINANCIAL ASSISTANCE GRANTED BY SCHEDULED COMMERCIAL BANKS
UNDER THE CATEGORY "HOUSING FINANCE" AS AT THE QUARTER ENDED**

Name of the Office _____

Amount allocated by the bank for the year April _____ to
March _____

(Rs. In lacs)

| | Amount of Housing Finance Disbursed | | | | | Grand Total (Col. 1 + 2+5) |
|--|---|---|--|-------------|-------------|-------------------------------------|
| | Amount of Direct Housing Finance 1. | Amount of Indirect Housing Finance 2. | Investment in guaranteed/ Non-guaranteed bonds of | | | |
| | | | NHB 3. | HUDCO 4. | TOTAL 5. | 6. |
| Total Housing Finance disbursed till the previous quarter | | | | | | |
| Disbursement of Housing Finance during the current quarter | | | | | | |
| TOTAL | | | | | | |

ANNEXURE - 1

AGREEMENT FOR HOUSING LOAN

THIS AGREEMENT MADE AT _____ on the _____ day of _____ 20____ between Shri/Smt./Km. _____ Son/Wife/ Daughter of Shri _____ r/o _____ (hereinafter called "the borrower" which term shall include his/her/heirs, executors, administrators and assigns) of the one part and Punjab National Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act – 5 of 1970 having its Head Office at 7, Bhikhajji Cama Place, New Delhi – 110 066 and one of its branches at _____ (hereinafter called the Bank, which expression shall include its successors and assigns) of the other part.

*Whereas the borrower has entered into an agreement with _____ for the purchase of the house/flat vide agreement of sale dated _____.

*WHEREAS the borrower has been allotted flat/house/site for construction of house by _____ /owns/holds on lease a plot of land/house situated at _____ more fully, described in the schedule hereunder:

WHEREAS the borrower has applied to the Bank for financial assistance for the purchase / construction / carrying out repairs / renovations / additions / alterations of / in the house / flat.

WHEREAS the Bank has agreed to advance a sum of Rs. _____ (Rupees _____) to the borrower for purchase/construction/repairs/renovation/additions/alterations of the house/ flat on the terms and conditions as hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. 1. The bank shall advance a sum of Rs. _____ (Rupees _____) to the borrower to enable him to purchase/construct/repair/renovate for making additions/alterations in the house/flat as aforesaid. The bank reserves the right to disburse the amount directly to the parties as per the details furnished by the borrower. The bank shall disburse the said amount only after the borrower makes his contribution (margin) of _____ or such other margin as may be prescribed. In case of finance for construction of houses the loan shall be disbursed depending upon the progress of construction as under:

- (i) (i) 50% on execution of loan documents.
- (ii) (ii) 50% on reaching the roof level.

The bank shall release subsequent disbursement only after furnishing a certificate by qualified architect/civil engineer about the above stage of construction having been reached.

In case of finance for other purposes, the loan shall be disbursed as per the demands raised by selling agency or need of the borrower.

The borrower further covenants that the work of construction/repair/renovation/additions/alterations of the house/flat shall be completed within _____ months from the first disbursement of loan.

2.A. (i) Borrower exercises the 'fixed interest rate' option and agrees to pay interest at the rate as under :

Fixed
Rate
Option

_____ % per annum with _____ rests.

" Provided that the bank shall have the discretion to change the rests."

(ii) The option of 'fixed rate of interest' exercised by the borrower will not be allowed to be changed for a minimum period of ____ years and thereafter the change may be allowed at the sole discretion of Bank.

(iii) In case the change of option is allowed by the Bank, the floating rate of interest would be the prevailing 'floating rate' at the time of change of option.

(iv) The option exercised by the borrower shall be for the 'block' period of _____ years as above. After completion of each 'block' it is open to the borrower(s) to switch over from one option to other. If no intimation of change of option is received it shall be presumed that the borrower(s) continue with earlier option which the borrower is availing.

OR

Floating
Rate
Option

(B) (i) Borrower exercises the 'floating interest rate option' and agrees to pay interest at the rate and rests as prescribed by the bank from time to time. The rate and rest as on the date of this agreement is ____ % per annum with _____ rests.

(ii) The option of 'floating rate of interest' exercised by the borrower will not be allowed to be changed for a minimum period of ____ years and thereafter the change may be allowed at the sole discretion of Bank.

(iii) In case the change of option is allowed by the Bank, the fixed rate of interest would be the prevailing 'fixed rate' at the time of change of option.

(iv) The option exercised by the borrower shall be for the 'block' period of _____ years as above. After completion of each 'block' it is open to the borrower(s) to switch over from one option to other. If no intimation of change of option is received it shall be presumed that the borrower(s) continue with earlier option which the borrower is availing.

(C). That the borrower agrees to pay costs & expenses incurred by the bank.

(D). The borrower also agrees to pay interest tax, if any, at the rates as in force from time to time. The bank shall have the discretion to decide the manner of computation of interest tax and charging thereof in the account.

(E) In the case the account becomes irregular on account of non-payment of instalment or other wise, the borrower agrees to pay default interest @ _____ % per annum with _____ rests on the amount then outstanding under the loan or on the defaulted amount, as the case may be. Default interest is payable over and above agreed interest."

3(a). The borrower shall pay interest and other charges and expenses, if any, as and when the same falls due. The principal amount of the loan shall be paid regularly in _____ monthly/quarterly/half yearly instalments of Rs. _____ each, the first instalment of payment of principal to fall due on _____. * The instalments shall be increased to Rs. _____ (Rupees _____)

_____) w.e.f. _____ (If graded instalment is requested).
The schedule of repayment of principal amount as well as interest, other charges and expenses is detailed under Schedule I here in below.

3(b)(i) The borrower agrees that in case loan is pre paid by raising housing loan from any other Bank / Financial Institution, borrower will bear and pay the pre payment charge at ___ % of the outstanding under housing loan which is pre paid.

3(b)(ii) The bank shall be entitled to seek information from the borrower about source of pre payment made or any other particulars in order to levy pre payment charge. The borrower agrees to furnish information called for by the bank. The bank shall also be entitled, inter-alia, to recover pre payment charge by debiting to any account of the borrower.

3(c) The borrower agrees to bear and pay any charge for switch over of the option in respect of rate of interest at the rate as prescribed by the bank from time to time.

4. The borrower undertakes not to raise any loan for purchase/construction/repairs/renovation/additions/alterations of house/flat and/or for his productive activity from any institution other than Punjab National Bank.

5. The borrower undertakes to execute mortgage deed/create mortgage by deposit of title deeds of the property detailed in Schedule II herein below as may be required by the bank, as security for the loan advanced within _____ days after he gets the conveyance of the property in his favour. In case of default of the borrower in fulfilling its aforesaid obligation of executing mortgage deed/creation of mortgage by deposit of title deeds, the bank, without prejudice to its other rights of recalling the entire outstanding dues etc. may also take legal recourse for enforcing the specific performance of the said obligation of the borrower.

**6. The borrower will execute an irrevocable power of attorney in favour of the Bank, if so required, inter-alia, authorising the bank, in its name and on behalf of borrower to complete the transaction of purchase of the said house, to pay such sums as may be necessary out of the amount of the loan to the vendor to meet the agreed sale price, to get the sale/title deed executed and registered in the name of the borrower, to receive and take delivery of the sale/title deed from the vendor and/or from the office of the Sub-Registrar after Registration, to deposit the original registered sale deed/documents of title of the aforesaid house/flat with the bank to create security thereon by way of mortgage by deposit of title deeds and to do all such other acts, deeds and things as may in the opinion of the bank be necessary or desirable for the due fulfillment and carrying out the obligations of the borrower in this behalf and under this agreement towards the bank.

7. In case the borrower dies or becomes insolvent or in the event of non-observance of any of the conditions set out herein including failure to create/execute the required mortgage or in the event of default of payment of any of instalments of principal or interest, costs and other expenses, the entire amount outstanding in the loan account and remaining unpaid shall, at the option of the bank, after making demand in writing, become immediately payable and the security held by the bank will become enforceable for realisation of its outstanding dues with interests, costs and other expenses. The bank shall also be entitled to charge additional interest @ 2% per annum over and above the agreed rate of interest at such rests as agreed above in the event of non-payment of any instalment of principal and/or interest, costs and other charges due or in the event of any other irregularity during the period the amount due remains unpaid or the irregularity continues. However, this right is in addition to and not in derogation of the

bank's other rights to immediately call upon the borrower to repay the entire amount outstanding or to enforce the security.

8. In case of loan given for the purchase/acquisition of house/flat from Development Authority/Housing Board/Private Builders/Group Housing Society, the bank shall not be responsible or liable to ensure or ascertain the progress of construction and mere demand for payment would be sufficient for bank to effect disbursements as aforesaid. Without prejudice to the above and notwithstanding anything to the contrary contained herein, Bank may in its sole discretion refuse to disburse the loan and/or recall the entire outstanding dues with interest, costs and other charges, if

- i. The Borrower has failed to pay margin i.e. the cost of house/flat (including escalation, if any) less the loan, and/or
- ii. Progress of the construction work is not satisfactory (Bank being the sole judge thereof.)

9. The borrower shall fully insure the property to be purchased/constructed against loss, damage by fire, riots and other hazards like earthquake, floods and if required by the bank against any other insurable risk in the joint name of borrower and the bank as mortgagor and mortgagee respectively with the usual bank clause till realisation in full of the loan liability of the borrower. In case the borrower fails to insure the said property, it will be open to the Bank to get the same insured as aforesaid and debit the amount of premium to the Borrower's account which shall thereupon for the purposes of this agreement be treated as part and parcel of the principal amount advanced.

10. That it will be duty and responsibility of the borrower to obtain the necessary permission of the Vendor and or any authority and the permission from the competent authority under the Urban Land (Ceiling and Regulation) Act 1976, if required, to create the security hereby agreed by him to be created in favour of the bank and it will be open to the bank to refuse to disburse the loan until and unless the same is/are obtained and submitted to the bank.

*****11. The borrower undertakes to take necessary steps to get the lease hold property converted into free hold and get the conveyance/transfer deed executed and registered and bear all necessary expenses connected therewith from his own sources.**

12. The borrower hereby agrees as a pre condition of the loan/advance given to them by the bank that in case they commit default in the repayment of loan/advance or in the repayment of interest thereon or any of the agreed instalments of the loan on due date(s), the bank and/or the Reserve Bank of India will have an unqualified right to disclose their names or the names of their company/firm/unit and their respective Directors/Partners/Proprietors as defaulter in such manner and through such medium as the bank or Reserve Bank of India in their absolute discretion may think fit.

SCHEDULE I
(Schedule of Repayment)

SCHEDULE II
(Schedule of Property)

IN WITNESS HEREOF the parties hereto have set their hands on the day, month and year above written.

(Borrower)

(Bank)

- * Delete whichever is not applicable.
- ** Not applicable in case of loan for construction/repairs/renovation/additions/alterations.
- *** **Applicable only in case of finance for purchase of house/flat on Power of Attorney/Agreement to sell basis.**

POWER OF ATTORNEY

This irrevocable Power of Attorney is executed on the _____ day of _____ 20____
 by (i) Shri/Km./Smt./_____ S/o, D/o, W/o
 Shri _____ R/o _____
 _____ and(ii) Shri/Km./Smt. _____
 _____ S/o, D/o, W/o Shri _____
 R/o _____

_____ (hereinafter called the APPOINTOR(s) which term shall unless repugnant to the context hereof, includes his/her/their heirs, successors, administrators and assigns) in favour of Punjab National Bank, a body corporate constituted, under Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, having its Head Office at 7, Bhikhaji Cama Place, New Delhi, and amongst others one BO: _____ (hereinafter referred to as Bank, which term shall include its successors and assigns).

WHEREAS

1) The Appointer(s) has/have entered into loan agreement dated _____ (hereinafter referred to as the said Agreement) with the bank for obtaining a loan of Rs. _____ for the purchase/construction/repairs/renovations/alterations/additions of/to the house/flat mentioned in the said agreement and also described in the schedule hereto (hereinafter referred to as the said Property).

2) Vide the said agreement, the Appointer (s) has/have agreed, inter alia, to deliver to and deposit with the bank each and every of the documents of title relating to the said property as and when it comes into his/her/their possession with intent to create a security thereon for the repayment of the loan, interest, interest tax, cost and other charges, and for the due fulfillment of his/her/their other obligations under the said agreement.

3) Vide the said agreement, the Appointer(s) has/have also agreed to give an Irrevocable Power of Attorney to and in favour of the bank to carry out the obligations of the Appointer(s), under the said agreement inter alia, in regard to the creation of the aforesaid security, etc.

NOW THIS DEED WITNESSTH THAT the Appointer(s) hereby appoints/nominates & constitute(s) the Punjab National Bank to act through any of its officers (hereinafter severally called the attorneys) to be his/her/their true and lawful attorneys in his /her/their names and on his/her/their behalf to do and, execute all or any of the following instruments, acts, deeds and things;

1) To make payment of the said advance that may be sanctioned to the Appointer(s) pursuant to the said Agreement as per the rules of the Bank applicable to grant of such advance to the vendor towards the agreed purchase price for the said property.

2) To take all steps as may be necessary or required for the completion of the purchase of the property.

3) To obtain and procure proper conveyance/transfers and other assurances of the said property from the Vendor, to get the lease hold property converted into free hold and get the conveyance/transfer deed executed and registered and in particular and without prejudice to the generality of the foregoing, if necessary, to sign sale/title deeds and other connected documents. To appear before the Sub-Registrar, to admit execution, to get the sale/title deed executed by the Vendor and registered in accordance with Law, to receive and take delivery of the registered sale deeds, and other documents of title from the Vendor and after registration, from the office of the Registrar and in this regard, to take all legal steps as may be deemed necessary by the bank.

4) To execute mortgage deed and deliver and deposit the aforesaid registered sale deeds executed by the Vendor and/or each and every of the other documents of title of the said Property with intent to create security thereon (by way of mortgage by deposit of the title deeds) for the repayment of the loan, interest and other charges and for the due fulfillment of the Appointer(s)'s other obligations under the said Agreement, and to execute, sign and deliver all such acknowledgements or writings as may be required by the Bank for completion of the creation of the aforesaid security.

5) To apply for and obtain permission, sanction or certificate of competent authority or any other authority or office for creating mortgage and for the purpose, swear and file affidavits or applications, make statements and do such other acts, as may be necessary.

6) Generally, to do such acts, deeds and things not herein specially authorised as any of the attorneys may deem proper or expedient for or in relation to all or any of the purposes of matters aforesaid.

And the Appointer(s) hereby agree(s) to ratify and confirm whatsoever the said attorney or any of them shall lawfully do or cause to be done by virtue of this Power of Attorney which shall be deemed to have been done by the Appointer(s) and the Appointer(s) hereby declare that this Power of Attorney shall be irrevocable till all the repayments under the said Agreement have been duly made by the Appointer.

SCHEDULE

(here describe the property to be purchased)

IN WITNESS WHEREOF the within named Appointer _____
Has/have executed this Power of Attorney on the day, month and the year first above written.

WITNESSES

APPOINTER

The Manager,
BO: _____

Reg.: Housing Loan for Purchase of Plot - DECLARATION

I/we have applied for Housing loan for purchase of plot. I/we declare that I/we intend to construct a house on the plot and the construction of the house will be completed within a period of two years.

Yours faithfully,

Date:

Place:

AGREEMENT FOR HOUSING LOAN

THIS AGREEMENT IS MADE at _____ on the _____ day of _____ 20____, BETWEEN Shri _____ S/o Shri _____ r/o _____ (hereinafter called the borrower, which expression shall include his heirs, executors, administrators and assigns) of the one part and Punjab National Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act (5 of 1970) having its Head Office at 7, Bhikhaji Cama Place, New Delhi and one of its branches at _____ (hereinafter called the Bank, which expression shall include its successors and assigns) of the other part:

WHEREAS the Borrower has entered into an agreement in writing dated _____ with Shri _____ S/o Shri _____ r/o _____ (hereinafter called the Vendor), for purchasing from him a plot bearing No. _____ situated at _____ bounded as under:

North

South

East

West

comprising an area of _____ sq.fts/sq.yds./sq.metr. for Rs. _____, as per terms and conditions contained in the said Agreement of Sale.

WHEREAS the Borrower has paid a sum of Rs. _____ as earnest money/ part payment to the said Vendor under the said Agreement of Sale, and

WHEREAS the Borrower is unable to pay the remaining sale price of Rs. _____ and has approached the Bank at _____ for a loan of Rs. _____ to enable him to purchase the said plot from the said Vendor, and

WHEREAS the Bank has agreed to advance a sum of Rs. _____ to the Borrower for the purchase of the said plot on terms and conditions as hereinafter appearing:

NOW THIS AGREEMENT WITNESSTH AS FOLLOWS :

That the Bank shall advance a sum of Rs. _____ to the Borrower for the purpose of the purchase of the aforesaid plot from Shri _____, the Vendor, as per Agreement of Sale referred to above. The said advance shall be paid by the Bank directly to the Vendor under authority of borrower at the time of registration of the Sale deed.

2. A. (i) Borrower exercises the 'fixed interest rate' option and agrees to pay interest at the rate as under :

| |
|-------------------------|
| Fixed Rate Option |
|-------------------------|

_____ % per annum with _____ rests.

" Provided that the bank shall have the discretion to change the rests. "

(ii) The option of 'fixed rate of interest' exercised by the borrower will not be allowed to be changed for a minimum period of ____ years and thereafter the change may be allowed at the sole discretion of Bank.

(iii) In case the change of option is allowed by the Bank, the floating rate of interest would be the prevailing 'floating rate' at the time of change of option.

iv) The option exercised by the borrower shall be for the 'block' period of _____ years as above. After completion of each 'block' it is open to the borrower(s) to switch over from one option to other. If no intimation of change of option is received it shall be presumed that the borrower(s) continue with earlier option which the borrower is availing.

OR

| |
|----------------------------|
| Floating Rate Option |
|----------------------------|

(B) (i) Borrower exercises the 'floating interest rate option' and agrees to pay interest at the rate and rests as prescribed by the bank from time to time. The rate and rest as on the date of this agreement is ____ % per annum with ____ rests.

(ii) The option of 'floating rate of interest' exercised by the borrower will not be allowed to be changed for a minimum period of ____ years and thereafter the change may be allowed at the sole discretion of Bank.

(iii) In case the change of option is allowed by the Bank, the fixed rate of interest would be the prevailing 'fixed rate' at the time of change of option.

iv) The option exercised by the borrower shall be for the 'block' period of _____ years as above. After completion of each 'block' it is open to the borrower(s) to switch over from one option to other. If no intimation of change of option is received it shall be presumed that the borrower(s) continue with earlier option which the borrower is availing.

(C) That the borrower agrees to pay costs & expenses incurred by the bank.

(D) The borrower also agrees to pay interest tax, if any, at the rates as in force from time to time. The bank shall have the discretion to decide the manner of computation of interest tax and charging thereof in the account.

(E) In the case the account becomes irregular on account of non-payment of instalment or other wise, the borrower agrees to pay default interest @ _____ % per annum with _____ rests on the amount then outstanding under the loan or on the defaulted amount, as the case may be. Default interest is payable over and above agreed interest."

(F) In case construction of the House on the said plot is not completed within a period of two years or in the event of the plot/land is sold for gains or profit or for any other reason interest chargeable is @ 4% over PTLR with ____ rests from the date of disbursement of the loan and the borrower agrees to pay/recompense the bank the interest so payable and the bank is authorised to debit the account with difference of interest thus arrived at. This is in addition to the interest prescribed under clause (E) above.

(G) PTLR means prime term lending rate as fixed by the bank from time to time.

3. The borrower shall pay interest and other charges and expenses, if any, as and when the same falls due. The principal amount of the loan shall be paid regularly in _____ monthly/quarterly/half yearly instalments of Rs. _____ each, the first instalment of payment of principal to fall due on _____. * The instalments shall be increased to Rs. _____ (Rupees _____) w.e.f. _____ (If graded instalment is requested). The schedule of repayment of principal amount as well as interest, other charges and expenses is detailed under Schedule I here in below.

4(a)(i) The borrower agrees that in case loan is pre paid by raising housing loan from any other Bank / Financial Institution, borrower will bear and pay the pre payment charge at ___ % of the outstanding under housing loan which is pre paid.

4(a)(ii) The bank shall be entitled to seek information from the borrower about source of pre payment made or any other particulars in order to levy pre payment charge. The borrower agrees to furnish information called for by the bank. The bank shall also be entitled, inter-alia, to recover pre payment charge by debiting to any account of the borrower.

4(b) The borrower agrees to bear and pay any charge for switch over of the option in respect of rate of interest at the rate as prescribed by the bank from time to time.

5. That the Borrower undertakes to create/execute mortgage of the property to be purchased as aforesaid, in a form acceptable to the bank as security for the outstanding loan/loan advanced/to be advanced and interest and other charges.

6. That in case the Borrower dies or becomes insolvent, or defaults in payment of instalment or in case construction of house on the plot is not completed within the period as stated in Clause 2, the entire amount outstanding in the loan account and remaining unpaid shall, at the option of the Bank, become immediately payable and the security held by the Bank will become enforceable for the realisation of its outstanding dues.

7. That the Borrower shall adequately insure the property to be purchased against loss, damage and destruction by fire and if required by the Bank against any other insurable risk in the joint names of himself and the Bank as mortgagor and mortgagee with the usual bank clause. In case the Borrower fails to so insure the said property, it will be open to the Bank to get the same insured as aforesaid and debit the amount of premium to the Borrower's account which shall there upon for purposes of this Agreement be treated as part and parcel of the principal amount advanced.

8. That it will be the duty and responsibility of the borrower to obtain the necessary permission of the Vendor and/or any authority, if required, to the creation of the security hereby agreed by him to be created in favour of the Bank and it will be open to the Bank to refuse to disburse the loan until and unless the same are procured. In case the borrower fails to get the conveyance of the property in his favour and/or fails to execute mortgage in favour of the Bank within the period of _____ months, as agreed to herein, the Bank shall be entitled at his option to stop further advances and to recall the advance already made.

9. The borrower hereby agrees as a pre condition of the loan/advance given to them by the bank that in case they commit default in the repayment of loan/advance or in the repayment of interest thereon or any of the agreed instalments of the loan on due date(s), the bank and/or the Reserve Bank of India will have an unqualified right to disclose their names or the names of their company/firm/unit and their respective Directors/Partners/Proprietors as defaulter in such manner and through such medium as the bank or Reserve Bank of India in their absolute discretion may think fit.

In witness whereof the parties hereto have set their hands on this Agreement on the day, month and year above written :

SCHEDULE
(Schedule of Repayment)

(Borrower)

* **Delete whichever is not applicable.**

(Bank)

MORTGAGE DEED

This Deed of Mortgage is made at _____ on the _____ day of _____ of the year 20 ____ between _____ (Full description of the borrower), hereinafter called 'Mortgagor' (which expression shall include his/their heirs executors, administrators, and assigns) of the one part and Punjab National Bank, having its Head Office at Bhikhaiji Cama Place New Delhi and among others, a Branch Office at _____ hereinafter called 'the mortgagee' (which expression shall include its successor and assigns) of the other part.

WHEREAS the Mortgagor is the absolute owner in possession of _____ the properties fully described in the schedule hereunder; and WHEREAS the bank has advanced/agreed to advance a sum of Rs. _____ (Rupees _____) by way of housing loan upon securing the repayment thereof together with interest, cost and other charges in the manner as hereinafter appearing.

NOW THIS DEED OF MORTGAGE WITNESSETH AS FOLLOWS:

That in consideration of the sum of Rs. _____ advanced/agreed to be advanced by the Bank to the Borrower as per the loaning documents executed in Bank's favour, the Mortgagor, hereby mortgages unto the Bank the said property more fully described hereunder by way of simple mortgage to secure the repayment of the principal amount aforesaid together with interest, charges and all other expenses due to the Bank payable as per the terms and conditions contained in the agreement of housing loan and documents executed by the Mortgagor/Borrower.

That the Mortgagor agrees to keep fully insured for its full market value in the name of the Mortgagor and the Mortgagee with agreed Bank clause, the said property against damage and loss or destruction by fire, civil-commotion, riots, floods, earthquake and any other insurable risk and keep up such insurance until the amount due under this deed is paid in full to the mortgagee. The cost of insurance will be borne by the Mortgagor. In case the Mortgagor fails at any time to insure and pay the necessary premium, the Bank may but it will not be bound to, insure and debit the cost of the premium to the Mortgagor's account. The amount of premium as paid will form part of the principal amount and will carry interest at the rate applicable in respect of amount advanced.

That the mortgagor shall also continue to pay all rates and taxes accruing due in respect of the said property under any law or rule for the time being in force.

That the Mortgagor covenants that the property is free from all encumbrances and that the Mortgagor is entitled to mortgage the same unto the Mortgagee.

That the Mortgagor shall not lease out or part with possession of the property or create any further charge, mortgage on the same in favour of any person without prior consent of the Bank in writing.

That in case of the default/breach of any of the terms and conditions contained in this Deed or in the Loaning Documents executed by the Mortgagor/ Borrower, the Bank shall have the option and the right to realise all its due outstanding in the account and cause the mortgaged property to be sold with all its accretions, without being bound to proceed against other securities or sureties, if any held by the Bank.

That on payment of all the dues of the said mortgagee under these presents, the mortgagee shall be bound to reconvey the said property free from all encumbrances to

the mortgagor and execute deed of discharge; transfer and every other writing in favour of the mortgagor at its expense necessary for this purpose.

In witness whereof the Mortgagor and the Mortgagee have set their hands on the day, month and the year hereinabove first written.

SCHEDULE

(Description of the property hereby mortgaged)

All that Plot No. _____ situation _____ in
Block _____ at _____ Scheme _____ no. _____ ensuring
_____ and so also the construction and _____ superstructure
to be built thereon together with all rights of _____ easements of all kinds appertinent
thereto and bounded as given below;

North
South
East
West

WITNESSES:

MORTGAGOR

1.

MORTGAGEE

2.

-

ANNEXURE - 6

The Manager
Punjab National Bank

Dear Sir,

**REG: HOUSING LOAN TO MEMBER OF OUR COOPERATIVE
GROUP HOUSING SOCIETY _____
SMT./SHRI/KM. _____**

This is to confirm that the above named party is a bonafide Registered share-holder of our Society. Smt./Shri/Km. _____ has booked a Dwelling Unit in our _____ (Name of Cooperative Group Housing Society) The member has opted for Type _____ flat and the tentative cost of the same is Rs. _____. The member has already paid to the Society Rs. _____ and the balance Rs. _____ is payable in _____ instalments. No. of)

We confirm that we have obtained necessary permission/approval/ sanction for construction of the said flats from _____ The proposed Dwelling Unit is meant for residential purposes only as per the sanctioned Plan.

We inform you that the said Dwelling Unit as well as the land appurtenant thereto are not subject to any encumbrance/charge or liability of any kind whatsoever and the entire property is free from all encumbrances.

We have no objection in giving of loan by Punjab National Bank to Smt./Shri/Km. _____ and mortgaging the said Dwelling Unit with you as a security for repayment of the loan so granted.

Thanking you,

Yours faithfully,

Place:

Date:

ANNEXURE - 7

TRIPARTITE AGREEMENT

-

THIS AGREEMENT MADE at _____ this _____ day of _____ 20____
between 1) Shri/Smt./Km. _____ S/o,W/o,D/o
Shri _____ residing at _____

(hereinafter referred to as the borrower which expression shall unless repugnant to the context, include his/her heirs, executors, administrators and assigns) of the first part and * _____

_____ (hereinafter referred to as 'the Authority' which term shall include its successors and assigns) of the second part and Punjab National Bank, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 having its Head Office at 7, Bhikhaji Cama Place, New Delhi and amongst others one of its Branch Office at _____ (hereinafter called 'the Bank' which expression shall unless repugnant to the context include its successors and assigns) of the third part.

*(Give detail regarding the name, constitution and address of the authority which allotted/is selling the property to the borrower)

WHEREAS

1. The borrower desires to purchase a ready built flat/house _____ allotted to him on _____ by the authority under its _____ scheme (hereinafter referred to as 'the said scheme').

2. The bank has allowed a housing loan of Rs. _____ (Rupees _____) to the borrower for the purchase of said flat/house as per the terms and conditions agreed to under Loan Agreement dated _____ entered into between the bank and the borrower (hereinafter referred to as 'the said agreement'), one of the conditions thereunder being that the borrower shall mortgage the said flat/house to be purchased from the authority in favour of the bank.

3. The title of the said flat/house shall be conveyed by the _____ authority unto the borrower after _____ years from allotment on payment of the total cost of the said flat/house as per the demands for payment by authority/instalments agreed to between the borrower and authority.

NOW THIS AGREEMENT WITNESSETH AS UNDER:-

In consideration of a sum of Rs. _____ (Rupees _____) already deposited by the borrower with the Authority on _____ as initial payment for the purchase of the said property under the said scheme and a further sum of Rs. _____ (Rupees _____) to be paid by the bank directly to the authority on behalf of borrower as per the demands for payment by the authority/instalments agreed to between the borrower and authority, it is hereby agreed to by and amongst the parties as follows:-

1. Bank will make disbursement of the sanctioned loan by making _____ payment to the authority directly on behalf of the borrower and any payment made to the authority shall be deemed to be payments made to the borrower and the borrower shall, in each case, be liable for the amount of loan disbursed on his/her/their behalf to the authority as though the same had been disbursed directly to borrower.

2. It is further agreed by the borrower that the bank shall not be responsible or liable to ensure or ascertain the progress of construction and mere demand for payment would be sufficient for bank to effect disbursement as aforesaid. Without prejudice to above and notwithstanding anything to the contrary contained herein Bank may in its sole discretion refuse to disburse the loan until :-

i) The Borrower has paid his own contribution in full to Society i.e. the cost of the dwelling unit (including escalation, if any) less the loan and/or

- ii) Progress and need of construction justifies (Bank being the sole judge thereof) the disbursement requested.
3. The Authority will maintain a separate account for the borrower and adjust payment of housing loan received by it from the bank/borrower against the cost of the particular category of flat/house applied by him.
4. On completion of the flat, its possession will be handed over to the borrower forthwith alongwith the conveyance of the title thereto on lease hold/free hold basis. The borrower will mortgage the said flat/house forthwith thereafter to the Bank as security for the said loan as per the terms and conditions of the said agreement.
5. The cost of the flat, in excess of the amount of the Housing Loan sanctioned, will be borne and paid by the borrower.
6. If the borrower withdraws from the scheme or fails to pay the balance amount representing the difference between the housing loan allowed by the bank and the actual cost of the house/flat (including escalation) or dies or allotment of the flat/house is otherwise cancelled, the entire amount standing to the credit of the borrower (including margin money and borrower's contribution) will be refunded by the Authority to the bank. The bank shall refund to borrower the balance, if any, after adjusting the entire outstanding dues, including interest, costs and other amount recoverable by the bank from the borrower.
7. The covenants hereunder shall not be construed to mean and fasten any responsibility upon the bank to observe the payment schedule, if any, between the authority and the borrower or make payments to the authority, as requested. Bank shall not be responsible for any delay or omission in disbursement on account of breach/default attributable to borrower/society. The borrower shall be responsible to follow-up with bank to make disbursement on his behalf as per arrangement he may have with the authority.
8. The authority will give/provide necessary consent/no objection for mortgage of the house/flat by the borrower in favour of the bank.
9. If for any reason there is an increase/escalation in the cost of the house/flat, such increase shall be paid and borne by the borrower without any reference to the bank and until such increase is paid, bank shall have the right to suspend further disbursement of his sanctioned loan.
10. The borrower will not further mortgage/charge the flat/allotted as above said to any person/financial institution for raising any loan without the prior written consent of Bank.
11. The authority shall not entertain the request of transfer of the flat/house of the borrower without the prior written consent of the bank.
12. In any event in which any refund becomes due and payable, under any agreement/arrangement executed/made between the borrower and authority or otherwise, the authority agrees not to pay any amount on any account to the borrower by way of refund or otherwise without the written consent of the bank. In case so required by the bank, any such amount shall be paid by the authority to the bank.

IN WITNESS WHEREOF the parties hereto have signed this agreement on the day, month and year first above written.

Signed by Shri _____, the borrower in the presence of

1st Witness: _____
(Name & address)

2nd Witness: _____
(Name & address)

(Signature)

Signed by Shri _____ for and on behalf of the Authority in
the presence of:

1st Witness _____
(Name & address)

2nd Witness _____
(Name & address)

(Signature)

Signed by Shri _____ of Branch Office _____
_____ for and on behalf of the Bank in the presence of:

1st Witness _____
(Name & address)

2nd Witness _____
(Name & address)

(Signature)

TRIPARTITE AGREEMENT

This agreement made at _____ this _____ day of 20__ amongst:

i) _____

[Name and address of the Borrower(s)] hereinafter termed as "Borrower" which term shall unless repugnant to the context, shall be deemed to include his/her heirs, executors, administrators and assigns) of the First Part.

ii) M/s _____ Co-operative Group Housing Society Ltd. and having its registered office at _____ and represented by its President Shri/Smt. _____ and its Secretary Shri/Smt. _____ both duly authorised to execute these presents on its behalf by a _____ resolution passed by its Management Committee at its meeting held on _____ (hereinafter called "The Society" which term shall unless repugnant to the context shall include its successors, administrators and assigns) of the Second Part.

iii) Punjab National Bank, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its Head Office at 7, Bhikhajji Cama Place, New Delhi and amongst others one _____ of its Branch Office at _____ (hereinafter referred to as "Bank" which expression shall unless repugnant to the context shall include its successors and assigns) of the Third Part.

WHEREAS

1. The Society has acquired under the terms of the Lease Agreement/Deed executed made on _____ between the President of India/ Governor of _____ or under the terms and conditions of letter No. _____ all that piece of land admeasuring about _____ acres, situated at _____ for the construction of dwelling units to be built at the cost of its members according to their allotment and to be occupied by such members so allotted on leasehold/ownership basis and also for construction of other buildings to house community facilities which shall be owned by the Society in accordance with the lay out plan sanctioned by the competent authority.

2. The Borrower had applied to the bank for a loan to purchase dwelling unit to be constructed by the Society.

3. 3. The bank has sanctioned a loan of Rs _____ (Rupees _____) to the Borrower on the terms and conditions agreed vide Loan Agreement dated _____, one of the conditions thereunder being that the Borrower shall mortgage the dwelling unit to be purchased from the Society in favour of the Bank and the Society has agreed to render all assistance to the Borrower/Bank to comply with this condition and in particular has agreed to obtain/assist to obtain permission to mortgage from the lessor and/or such other persons/authorities as may be needed.

NOW THIS AGREEMENT WITNESSETH AS UNDER:-

In consideration of allowing a loan of Rs. _____ (Rupees _____) to the Borrower by the Bank for the purchase of _____

the dwelling unit to be constructed by Society under its scheme, it is hereby agreed among the parties hereto as under:-

1. Bank will made disbursement of the sanctioned loan by _____ making payment to the Society directly on behalf of the Borrower as and when demanded by the Society subject to the Loan Agreement entered into between the borrower and bank and the covenants hereunder agreed to among _____ the parties hereto and any payment made to the Society shall be deemed to be payments made to the Borrower and the Borrower shall, in each case, be liable for the amount of the loan disbursed on his behalf to Society as though the same had been disbursed directly to Borrower. It is further agreed by the Borrower(s) that the Bank shall not be responsible or liable to ensure _____ or ascertain the progress of construction and mere demand for payment would be sufficient for Bank to effect disbursement as aforesaid.

2. The Borrower will not further mortgage/charge/let out/part in the possession of the flat/house allotted as abovesaid to any person/financial institution for raising any loan without the prior written consent of Bank.

3. The Society will maintain a separate account of the Borrower and adjust the Payment received by it from the Bank/borrower against the cost of the particular category of dwelling unit applied by the Borrower.

4. The above covenants shall not be construed to mean and fasten any responsibility upon the Bank to observe the payment schedule, if any, between Society and the Borrower or make payments to the Society as requested. Bank shall not be responsible for any delay or omission in disbursements on account of breach/default attributable to the borrower/society. The Borrower shall be responsible to follow-up with Bank to make disbursement on his behalf as per any agreement he may have with the Society.

5. It is further agreed by the borrower that the bank shall not be responsible or liable to ensure or ascertain the progress of construction and mere demand for payment would be sufficient for bank to effect disbursements aforesaid. Without prejudice to above and notwithstanding anything to the contrary contained herein, Bank may in its sole discretion refuse to disburse the loan until :-

i) The Borrower has paid his own contribution in full to Society i.e. the cost of the dwelling unit (including escalation, if any) less loan and/or

ii) Progress and need of construction justifies (Bank being the sole judge thereof) the disbursement requested.

6. The Society undertakes that the Title Deed/Sale Deed/Deed of apartment in favour of the Borrower by Society shall be executed and registered within _____ days after the date of delivery of possession. The Society shall deposit the said Title Deed/Sale Deed/Deed of apartment directly with the Bank.

7. Soon after the Title Deed/Sale Deed of apartment is executed and registered, the Borrower undertakes to take steps for creation of mortgage of the dwelling unit/flat in favour of the Bank, in the form and manner required by the Bank and as stipulated under the Loan Agreement.

8. The Society does not have any objection in creation of mortgage of the dwelling unit by Borrower in favour of the Bank and agrees to give necessary consent/no-objection as and when required.

9. The Borrower shall diligently and faithfully observe and comply with all the rules, regulations and bye-laws of Society.

10. If for any reason there is an increase/escalation in the cost of the dwelling unit such increase shall be paid and borne by the Borrower without any reference to the Bank and

until such payment is made, Bank shall have the right to suspend further disbursement of the sanctioned loan.

11. In the event of default by the Borrower in repayment of dues of the Bank, the Bank will be entitled to sell the flats and the Society will have to accept the purchaser of dwelling unit/flat as member of the Society.

12. The Society shall not transfer the dwelling unit/flat of the Borrower to any other member of the Society without the prior written consent of the Bank.

13. If the Borrower withdraws from the scheme of Society or in the event of cancellation of Borrower's name by the Society or death of Borrower, the Society will refund the entire amount standing to the credit of the Borrower (including borrower's contribution). Bank shall refund the balance, if any, to the borrower(s) after adjusting entire outstanding dues of the borrower(s) with interest, costs and other amounts payable by the borrower(s) to Bank. In any event in which any refund becomes due and payable under the Agreement/arrangement executed/made between the Borrower and Society or otherwise, Society agrees not to pay any amount on any account to the Borrower by way of refund or otherwise without written consent of the Bank. In case so required by Bank, any such amount shall be paid by the Society to Bank.

IN WITNESS WHEREOF the parties hereto have signed this agreement on the day, month and year first above written.

SIGNED AND DELIVERED by the within named Borrower Shri/Smt. _____

Witnesses (Signatures with full names and address)

- 1.
- 2.

SIGNED AND DELIVERED by the within named Society _____
_____ by the hand of _____ its _____

Witnesses (Signatures with full names and address)

- 1.
- 2.

SIGNED AND DELIVERED by the within named PUNJAB NATIONAL BANK by the hand of Shri _____

Witnesses (Signatures with full names and address)

- 1.
- 2.

LETTER OF AWARENESS

The Manager
BO: _____

Sir,

**Reg: Housing Loan extended to _____
for purchase _____**

The above said property is being sold to _____
_____ (purchaser) by me, the owner of the said property.

2. I am aware that the bank has financed the purchase. I have received the amount of loan towards sale price.
3. I will extend all cooperation in the execution of necessary documents/ agreements for completion of sale and/or for conversion of property from lease hold into free hold.

Place:

Yours faithfully,

Date:

VENDOR

LETTER OF POSSESSION

The Manager
BO: _____

Sir,

**Reg: Housing Loan extended to _____
for purchase _____**

The above said property is being sold to _____
_____ (purchaser) by me, the owner of the said property.

2. I am aware that the bank has financed the purchase. I have received the amount of loan towards sale price.

3. I have given possession of property to _____
_____ (purchaser) on _____.

Place:

Yours faithfully,

Date:

VENDOR

-
-

The Manager,
Punjab National Bank,
BO:_____

Sir,

Reg: Housing Loan

This is in continuation to my / our application for Housing Loan. I / we exercise the option of _____ rate of interest.

Yours faithfully,

Applicant(s)

Dated:

Place:

-
-

The Manager,
Punjab National Bank,
BO: _____

Sir,

Reg: My / Our Housing Loan Account No. _____ at yours

This is with reference to the Agreement of Housing Loan dated _____ entered into with the bank in respect of the above loan. Since the stipulated period of three years has already elapsed from the date of Agreement / from the date of last exercise of option (viz. _____), I / we now wish to switch over to the _____ interest option w.e.f. _____.

Yours faithfully,

Borrower(s)

Dated:

Place:

PLACE: _____ -

DATED: _____

The Manager,
Punjab National Bank,
BO: _____

Dear Sir,

Reg: Term Loan Account _____

To facilitate due payment of instalments in the above Term Loan Account, I / we endorse the following cheques. I / we am / are aware that dishonouring the cheque due to insufficiency of funds will entail criminal action, as per provisions of Law, without prejudice to bank's other rights. Tendering of cheques will, in no way, absolve my / our obligation to pay the instalments or the amount due as per terms agreed.

DATE OF CHEQUES

AMOUNT

-
-
-
-
-

Yours faithfully,

BORROWER -

P.S. Advance cheques may be received under the Scheme. The number, amount and dates of such cheques should synchronise with the number, amount and due dates of Term Loan Instalments. Such cheques should be drawn favouring "Punjab National Bank" and on the reverse of the cheque - "Payment of Instalment in Term Loan Account _____" can be written.

IRREVOCABLE LETTER OF AUTHORITY FROM BORROWER AUTHORISING THE EMPLOYER TO REMIT SALARY/INSTALMENT AND OTHER AMOUNT PAYABLE TO THE BANK CUM LETTER OF ACKNOWLEDGEMENT FROM EMPLOYER

To

REG: _____ **LOAN OF Rs.** _____
(Rs. _____ **)**
A/C No. _____ **SANCTIONED TO ME BY**
PUNJAB NATIONAL BANK BO: _____.

Dear Sir,

The above loan has been sanctioned to me by Punjab National Bank.

*I hereby authorise you to remit my salary every month to PNB
BO: _____ for crediting my account No. _____.

*I hereby authorise you to pay a sum of Rs. _____ (Rs. _____
_____ only) every month from my salary to
PNB BO: _____ for credit to my aforesaid loan account No.
_____ with them.

I hereby authorise you to remit the amount payable to me by way terminal benefits and gratuity, by reason of my retirement, resignation or discontinuing in the service for any reason, to PNB BO: _____ for crediting to my aforesaid loan account No. _____ with them.

This authority is irrevocable until the loan amount mentioned above with interest is paid in full and written consent of the Bank is obtained.

Your faithfully,

SIGNATURE _____
NAME OF EMPLOYEE _____

PLACE: _____

ADDRESS _____

DATED: _____

* DELETE WHICHEVER IS NOT APPLICABLE

We have received the above letter of authority of Sh. _____ and noted for compliance.

(EMPLOYER)

Signature of the officer authorised to disburse salary and allowance

PLACE : _____

DATED: _____

LETTER OF AUTHORITY

The Manager,
Punjab National Bank,
BO: _____

Sir,

Reg: _____ Loan of Rs. _____
(Rupees _____)
Account No. _____

With reference to the above loan sanctioned to me, I hereby authorize you to debit a sum of Rs. _____ (Rupees _____) every month to my _____ Account No. _____ with you and credit it to my aforesaid loan until the loan is fully adjusted.

The authority given to you is irrevocable unless and until the above said loan is repaid by me in full.

Thanking you,

Yours faithfully,

Signature _____
Name _____
Address _____

Place: _____

Dated: _____

(LETTER CEDING SECOND CHARGE BY THE FIRST CHARGE HOLDER)

From

_____.

_____.

(first charge holder)

Date:- _____

To

The Manager

Bo:-_____.

Punjab National Bank.

Dear Sir,

REG: Letter ceding second charge over immovable property situated at _____ in respect of housing loan facility sanctioned to Sh./ Smt. _____ (Borrower).

Please refer to your letter dated _____, We _____ (mention the name of the first charge holder) do hereby agree that Sh. / Smt. _____ (herein after referred to 'the borrower') may create charge in your favour to secure your housing loan facilities:

-

(mention the facilities)

together with interest and other monies payable on immovable properties subject to and subsequent to mortgaged charge in our favor to secure:-

-

(mention the facilities)

together with interest and other monies payable by the borrower. You may take necessary steps as may be necessary to execute required documents / create securities in this connection in your favour.

Yours faithfully,

(FIRST CHARGE HOLDER)

(LETTER CEDING PARI PASSU CHARGE)

From

(pari passu charge holder)

Date:-_____

To

The Manager

Bo:-_____.

Punjab National Bank.

Dear Sir,

Reg: **Letter ceding pari passu charge over immovable property situated at _____ in respect of housing loan facility sanctioned to Sh./ Smt. _____ (Borrower).**

We _____ (mention the name of the first charge holder) do hereby agree and confirm that not with standing any thing to the contrary contained in or by virtue of the mortgages and charges created and or to be created by Sh. / Smt. _____ (herein after referred to 'the borrower') in our favour in respect of the borrowers immovable properties both present and future to secure our:-

-
-

(mention the facilities)

together with interest and other monies payable by the borrowers, the mortgages and charges in our favour shall rank pari passu with the mortgages and charges created or to be created by the borrowers in your favour with interest thereon and monies payable to you under the respective loan agreements, sanction letters etc. for all purposes and intents.

We further agree and undertake and confirm that we shall execute an inter se pari passu agreement with you to provide that securities created by / to be created by the borrowers in favour of us shall rank pari passu without any preference and priority of one over the other and including the usual provisions of insurance, custody of title deeds applicable of the realization of the proceeds of sale etc.

Please arrange to issue suitable letter ceding pari passu charge in our favour at an early date on similar lines, if not issued earlier.

Yours faithfully,

(Pari Passu Charge Holder).

LETTER APPOINTING THE PARI PASSU/ FIRST CHARGE HOLDER AS
AGENT OF THE BANK TO ACCEPT DEPOSIT OF
TITLE DEEDS AS SECURITY ON BEHALF OF THE BANK

The Manager,

The Managing Director/Chairman

Dear Sir,

REG: SH. / SMT. _____
LOAN FACILITIES SANCTIONED BY PUNJAB
NATIONAL BANK, BO : _____
CREATION OF 2ND CHARGE ON BLOCK/FIXED ASSETS

**Punjab National Bank has sanctioned following loan facilities to
Sh./Smt. _____.**

- i)
- ii)

**Sh./ Smt. _____ has agreed to create
2nd charge i.e. charge subject to prior charges in your favour by way of mortgage
on its immovable property/fixed assets situated at _____
_____ in favour of Punjab National Bank (here
in after called the bank) by deposit of title Deeds and also by execution of
hypothecation agreement in respect of movable assets forming part of fixed
assets. You have also consented for creation of 2nd charge in favour of the bank
vide letter dated _____.**

**We, Punjab National Bank hereby appoint you _____ (name of the
institution), acting through any of your officers, as agents, to accept deposit of
title deeds by delivery or constructive delivery from or on behalf of Sh./
Smt.._____ to create mortgage by deposit of title deeds in
order to secure the above referred loan facilities and moneys advanced or to
be advanced by the bank besides interest and other charges due thereon. You
are also authorised to further make entry in respect of the above deposit in your
records. Please confirm the creation of mortgage.**

Thanking you,

Yours faithfully,
FOR PUNJAB NATIONAL BANK

MANAGER

LETTER OF PARI PASSU/ FIRST CHARGE HOLDER ACCEPTING
THE AGENCY OF THE BANK

**The Manager,
Punjab National Bank,
BO : _____**

Dear Sir,

REG: APPOINTMENT OF OUR CORPORATION AS AGENT FOR
ACCEPTANCE OF TITLE DEEDS AS SECURITY FROM
SMT./ SH. _____

**Please refer to your letter dated _____ we, _____
_____ accept and agree to act as agent of PNB for acceptance on
behalf of bank, of title deeds by delivery/constructive delivery from SMT./
SH. _____ for creation of mortgage to secure loan
facilities mentioned in your above referred letter and money advanced or to be
advanced to SMT./ SH. _____ by the bank.**

**We, hereby confirm that we shall also duly enter the deposit of title deeds in our
records. We further undertake that on adjustment of our loans, the title deeds
shall not be handed over to the mortgagors SMT./
SH. _____ but shall be retained
by the corporation on behalf of your bank till further instructions from you.**

Thanking you,

Yours faithfully,

FOR _____

IN THE TITLE DEED REGISTER/
RECORDS OF PARI PASSU/ FIRST CHARGE HOLDER

MEMORANDUM OF ENTRY IN CASE OF
MORTGAGE BY DEPOSIT OF TITLE
DEEDS BY CONSTRUCTIVE DELIVERY

1. **Date of creation of the mortgage**
2. **Name of the mortgagor**
3. **Nature and amount of facilities secured**
4. **List of documents of title, evidences, deeds & writings**
5. **Description & location of the mortgaged property**

MEMORANDUM

give name, representative capacity e.g. Director, Constitution, address/ registered office* give name & address of pari passu / first charge holder.

On the _____ day of _____
Sh. _____
_____ (hereinafter referred to as 'the mortgagor) attended the
branch/regional office of _____
*
(hereinafter referred to pari passu / first charge holder and saw Shri
_____ of pari passu / first charge holder

The said Shri _____ stated that the documents of title, evidence, deeds and writings more particularly described in column 4 above (hereinafter called 'the said title deeds') in respect of the mortgagor's immovable properties situated _____ at _____ (more fully described in column 5 above) were deposited on _____ with pari passu / first charge holder in order to create security by way of mortgage by deposit of title deeds on the mortgagor's immovable properties together with the buildings and other structures, fixtures and fittings, constructed, erected or installed thereon or to be constructed, erected or installed thereon for securing the due repayment, discharge and redemption by the

* give the mortgagor to pari passu / first charge holder for its*

**detail
of the
loan,
limits
availe
d from
pari
passu
/ first
charg
e
holde
r.**

_____ together with interest, additional interest, further interest, interest tax, liquidated damages, compound interest, commitment charges, cost, charges, expenses and other monies payable under the respective loan agreement/s.

Shri _____ on the same day accorded and gave oral consent to give Shri _____ acting for pari passu / first charge holder and pari passu / first charge holder acting as agent of Punjab National Bank to hold and retain the said title deeds as and by way of mortgage by deposit of title deeds by constructive delivery of the mortgagor's immovable properties (more fully described in column 5 above) together with all buildings and structures (hereinafter collectively referred to as 'the said immovable properties') as security also for the due repayment, discharge and redemption by the company to Punjab National Bank of the outstandings under the housing loan.

Give

**details
of
the**

**housi
ng
loan
facilit
y.**

together with interest, additional interest, further interest, interest tax, liquidated damages, compound interest, commitment charges, cost, charges, expenses and other monies payable under the loan agreement/s as amended from time to time.

Signature of the person
accepting the title deeds

(ANNEXURE-20)

WITH THE PARI PASSU/ FIRST CHARGE HOLDERS ON BEHALF OF THE BANK TO
SECURE LOANS ADVANCED BY THE BANK.

Dated _____

(to be dated subsequent to date
of entry of mortgage in favour
of Punjab National Bank)

FROM:

SMT./ SH. _____

TO:

The Chairman/Managing Director,

Dear Sir,

REG: LIMITS _____ SANCTIONED
TO SMT./ SH. _____

I/we have already on _____ (date of deposit) deposited with you in
your office the undernoted original title deeds of my/our property situated at
_____ with intent to create mortgage by deposit of title deeds of the same as
security for the following loan facilities:

i)

ii)

(loan facilities of pari passu / first charge holder)

Punjab National Bank has at my/our request sanctioned the following
housing loan facility :-

i)

ii)

(loan facilities of PNB)

Your corporation was authorised by the bank to accept title deeds (mentioned
herein) by constructive delivery for creation of equitable mortgage by me/us and
I/we confirm having agreed with you on _____ that the title deeds of immovable
property already deposited with you on _____ (same date) shall continue to be
held with you as security for the repayment of the loan facilities and moneys
advanced/or to be advanced as aforesaid by the bank to us and interest, costs and
charges due thereon.

LIST OF TITLE DEEDS

1)

2)

PROPERTY COVERED

1)

2)

Together with all buildings and other structures, fixtures and fittings, constructed, erected or embedded thereon or to be constructed, erected or embedded thereon.

Thanking you,

Yours faithfully,

C.C: Punjab National Bank, Branch Office_____

TO BE STAMPED AS AN AGREEMENT

INTER SE AGREEMENT

This agreement is made at _____ on this _____ day of _____ 19_____ between Punjab National Bank, a body corporate constituted under Banking Companies (Acquisition & Transfer of Undertakings) Act 5 of 1970, having its Head Office at Bhikaiji Cama Place, Africa Avenue, New Delhi - 110066 and inter alia a Branch _____ Office at _____

and

***Give the name of bank/ institution, describe its constitution specify address of its regd./ HO and also the branch concerned
Give the name and description and address of the borrower.

WHEREAS at the request of **

(hereinafter referred to as 'the borrower'), the pari passu charge/ first charge holder and the Bank have granted/have agreed to grant the housing loan facilities :-

(Indicate all facilities to be covered by pari passu/second charge)

| Institution | Facility Sanctioned | Limit/Amount |
|--------------------|----------------------------|---------------------|
| | | |

(hereinafter referred to as “credit facilities”)

WHEREAS _____ (herein after referred to as the mortgager) have created charge on his/ her immovable properties (more particularly described in schedule I and here under of the mortgager situated at _____ in favour of the pari passu charge / first charge holder vide mortgage created / executed on _____ as security for the repayment of the principal amount of the aforesaid credit facilities, interest, cost, expenses, and other charges payable to the pari passu / first charge holder in terms of loaning and security documents executed by the borrower and or mortgager.

WHEREAS the mortgager has also created charge on the immovable property of the mortgager situated at _____ in favor of the bank vide mortgage created / executed on _____ as security for the due repayment of the principal amount of the aforesaid credit facilities, interest, interest tax, cost, expenses, and other charges payable to the Bank in terms of loaning and security documents executed by the borrower and or mortgager.

WHEREAS it has been agreed by and between the pari passu / first charge holder and the Bank that the charges as aforesaid created/ to be created in favour of the bank stands pari passu to / subject to and sub-servient to the charges as aforesaid created or to be created in favour of the pari passu / first charge holder.

WHEREAS pursuant to the said agreement by and between the pari passu / first charge holder and the Bank with a view to defining rights and obligations inter se, the participating institutions have agreed to enter into this agreement.

NOW THIS AGREEMENT WITNESSETH AND THE PARI PASSU CHARGE HOLDER AND THE BANK AGREE AS FOLLOWS :

- 1. 1. That the pari passu / first charge holder and the Bank shall grant/continue to grant the borrower the credit facilities aforementioned.**
- 2. 2. That notwithstanding any thing to the contrary contained in or by virtue of the security documents, the charge created aforesaid in favour of the bank shall rank pari passu to / subject to and sub- servient to the charge created in favour of the pari passu / first charge holder.**
- 3. 3. In the event of the mortgaged security being realized**

*** In case of second charge**

**** in case of pari passu charge**

howsoever, and in whatsoever manner the proceeds of such realization including moneys received from insurance companies or otherwise in respect of the security remaining after deducting therefrom the cost (between attorney/advocate and client), charges and expenses incidental to such realization shall in the first instance be appropriated towards or in satisfaction of indebtedness of the borrower or the mortgagor in respect of credit facilities due and outstanding to *_____ (the first charge holder), thereafter the balance if any shall be available for and be appropriated to the outstanding indebtedness or liabilities of the borrower and mortgager in respect of the credit facilities as aforesaid availed from the bank. / **_____ (the pari passu charge holder) and the bank proportionately on pari passu charge bases. (Delete whichever is not applicable)

Such indebtedness means the amount outstanding under the said credit facilities and the interest due there on upto the date of realization of the security whether actually debited or not to the said accounts together with any cost, charges and whether actually debited or not

- 4. 4. That the pari passu / first charge holder and the bank shall give each other the information and other periodical data received from the borrower from time to time and shall keep each other informed about the total outstanding due from the borrower and mortgager from time to time.
- 5. 5. That all the moneys received by the pari passu / first charge holder
 - (a) (a) by realization of the mortgaged from the insurers in respect of the insurance of the mortgaged/charged security,
 - (b) in any other manner from the mortgaged/charged security, shall be held by the pari passu / first charge holder or the bank as the case may be for and on behalf of the pari passu / first charge holder and the bank and shall be paid and appropriated in the manner as indicated and agreed to in these presents.
- 6. 6. That the pari passu / first charge holder or the bank shall inform each other before taking any steps to take possession or realization or enforce the mortgaged charged security. The proceeds of any realization in such legal proceedings shall be available for and be appropriated in the manner indicated and agreed to in these presents.
- 7. 7.
- 8. 8.
- 9. 9.

Other conditions.

SCHEDULE I

(Detail the particulars of mortgaged properties)

In witness whereof the parties here to have executed these presents, the day, month and year above written.

For PUNJAB NATIONAL BANK

Manager

**For The pari passu /
first charge holder**

ANNEXURE - 22

PUNJAB NATIONAL BANK
BO: _____

Date: _____

Dear Sir / Madam

**HOUSING FINANCE - ELIGIBILITY - PERMISSIBLE
BANK FINANCE - EXPRESSION OF INTEREST**

**Please refer to your letter dated _____. We
evince interest in the proposal and reply as under :-**

Give the
Required
Reply

**2.The above is not to be regarded as sanction of loan.
Sanction of loan will be considered on receipt of
application complete with all particulars.**

Yours faithfully,

MANAGER

ANNEXURE - 23

PROVISIONAL CERTIFICATE

-
-
-

-
PUNJAB NATIONAL BANK

BO:.....
.....

Date: _____

Certified that a sum of Rs. _____ **(Rupees** _____
_____) is chargeable as interest in your
Housing Loan account No. _____ at _____
_____ during the financial year
_____. Further a sum of Rs. _____ (Rupees _____
_____) is payable
by you towards the payment of the said housing loan during the financial year
_____.

FOR PUNJAB NATIONAL BANK

MANAGER

Shri / Smt. _____

PUNJAB NATIONAL BANK
BO: _____

Date: _____

Dear Sir/Madam,

Reg: Application No. _____ of Shri _____ for
allotment of flat/plot/house under your housing
scheme _____.

**In context to the above application we request that in case of non allotment
of the applied Flat/Plot/House the refund order be directly sent to us
favouring PNB BO: _____**

**A/c No. _____ of Shri _____ . The
applicant has also given his consent to the above.**

Yours sincerely,

(Manager)

**I/We consent to issuing of Refund Order favouring PNB,
BO: _____ A/c.No. _____ of Shri _____.**

(_____)

(_____)

APPLICANT(s)

(To be stamped as agreement
not to be attested / witnessed)

AGREEMENT OF LOAN FOR DEPOSIT OF EARNEST MONEY

In consideration of Punjab National Bank a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act 1970 having its Head Office at 7 Bhikaiji Cama Place, New Delhi and amongst others its branch office at (*) _____ hereinafter referred to as 'the Bank' which expression shall unless repugnant to context include its successors and assigns) allowing or agreeing to allow Shri (**) _____

(hereinafter called the 'borrower(s)' which term shall include his / her / their legal heirs, representatives, executors, administrators, successors and assigns) an advance by way of loan of Rs. _____ (Rupees _____) for deposit of earnest money for applying for the allotment of the flat / house / plot under the (***) _____ scheme.

The Borrower(s) hereby jointly and severally agree as under :-

1. **The Bank shall lend to the borrower(s) a demand loan of Rs. _____ (Rupees _____) for deposit of earnest money for applying for allotment of house / flat / plot as aforesaid.**
2. The interest rate at _____% over the bank's prime term lending rate (PTLR) presently _____% p.a. with _____ rest shall be applicable. In the event of their not being any PTLR the rate of interest and rest as prescribed by the bank will apply. Interest payable by the borrower(s) and the periodicity of rests shall be subject to change / variations in interest rates and the periodicity of rests made by RBI / Bank from time to time. Borrower (s) agree(s) to bear and pay interest tax as may be payable at the rate in force.
3. **Interest shall be calculated on the daily balance due to the bank in the said account and shall be charged on the account on the last working day of the _____ (mention the period rest) so long as the debt herein incurred is not paid by the borrower in its entirety and will form part of the principal and carry interest at the above mentioned rate.**

(*) Give name of the branch

() Give Name, constitution and address of the borrower**

(*) Give the state housing board/ urban development authorities etc. scheme.**

4. **The borrower (s) agree (s) to pay additional interest at _____% p.a. with agreed rest as under :**
 - (i) (i) **In case of default in payment of the loan amount, on the amount from the date of default.**
 - (ii) (ii) **On amount outstanding from the date of demand.**
5. **The borrower(s) hereby agree(s) to repay the said loan in lump sum on declaration of allotment process, as hereunder :**

- (i) (i) **In case the applicant succeeds and the borrower is interested for availing housing loan from the bank, from the proceeds of the Housing Loan.**
- (ii) (ii) **In case the applicant does not succeed in allotment and the flat / plot / house is not allotted to the borrower, from the proceeds of the refund order.**
- (iii) (iii) In case the applicant succeeded but not interested for availing housing loan from the bank, from his own sources.

5(A). That the borrower(s) agree(s) that undertake(s) to deposit the refund amount in case of non allotment of the flat/house/plot, if refund order is received by the borrower from the _____ (housing agency), instead to the bank directly.

6. The borrower(s) agree(s) to pay incidental charges / other charges as fixed by the bank from time to time during the time the account remains open.

7. Notwithstanding any thing stated in clause 5 above, that after demand is made by the bank, the borrower shall make payment to the bank the balance then outstanding and owing to the bank on the said account inclusive of interest at the rate mentioned above to the date of payment, together with all the charges and expenses charged or incurred by the bank as ascertained from the books of the bank, which the borrower agrees to accept as sufficient proof of the correctness thereof without production of any voucher or paper.

8. That the borrower(s) will be liable for all costs of recovery incurred by the bank before filing a suit and also for all costs in connection with the suit decree till recovery of full amount.

9. That the borrower(s) agree(s) that his / their liability to the bank for their dues on the said account shall be joint and several with the authority and right to the said bank to compromise and or give indulgence to any of them preserving its rights and remedies against all or any of them.

10. That the borrower(s) hereby agree to hold themselves liable aforesaid on all the confirmation letters signed by any one of them. The borrower(s) agree(s) that each one of them is an agent for the others and is authorised to acknowledge and admit liability outstanding in the account from time to time.

11. The borrower(s) agree(s) and hereby give(s) to the bank during the currency and for the payment of the said loan account, a general lien and right to set off and combine accounts without notice and charge on all moveable property of every description coming into their possession on account of the borrower(s) or any one of them for the time being held by the bank on behalf of the borrower(s) or any one of them whether singly or jointly with others in India or elsewhere including, without prejudice to the generality, any monies bullion, deposits, deposit receipts, promissory notes, bill of exchange, cheques, railway receipts, Govt. Bills and other documents of every description.

12. That the borrower(s) hereby agree(s) that any notice in writing requiring to be served hereunder shall be sufficiently served if addressed to any one of them at their address registered in the said bank or in the event of no address being registered, at their or any one of their last known place of residence or business and left at such address or if forwarded to any one of them by post at the address or place aforesaid. And borrowers do hereby

agree that any demand hereunder may effectually be made by parol notice to any one of them by an officer of the bank or by notice in writing under the hand of such Officer either served personally upon the borrowers or any of them or left for or send by post to any one of them at their usual or last known place of work.

13. The borrower(s) further agree(s) that in case of default in repayment of the loan on due date the bank will have unqualified right to disclose or publish his / their name as defaulters in such manner and through such medium as the bank in its absolute discretion thinks fit.

IN WITNESS WHEREOF the parties have signed these presents at _____ on the ____ day of _____ (month), 20 .

BORROWER(S)

-
-
-

PUNJAB NATIONAL BANK

AGREEMENT OF GUARANTEE

The Agreement of Guarantee is made at _____ (Place) this _____ day of _____ '20 _____, between _____ (hereinafter called the Guarantor(s) which term shall, wherever the context so permits mean and include his/their (heirs, successors, administrators, executors and assigns) of the first part and Punjab National Bank, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, having its Head Office at Bhikhajji Cama Place, New Delhi (hereinafter called the Bank, which term shall, wherever the context so permits, mean and include its successors and assigns) of the second Part.

Whereas at the request of the Guarantor(s) the Bank has agreed to allow/continue/enhance an accommodation by way of _____

_____ to **Messrs.**
_____ **hereinafter**
called the Borrower (s)* on the terms and conditions contained
_____ **AND whereas the**
Guarantor(s) has/have agreed to guarantee due payment of the amount due
to the Bank in respect of the said limits of
Rs. _____.

NOW THIS INDENTURE WITNESSETH AS UNDER:

- 1. That in consideration of the Bank allowing/continuing/ enhancing at the request of the Guarantor(s) an accommodation by way of _____ to the Borrower(s) at its _____ Branch on terms and conditions contained in _____ the Guarantor(s) hereby agree(s) with the Bank as under:-**
- 2. The Guarantor(s) hereby guarantee(s)** jointly and severally to pay the Bank after demand in writing all principal, interest, cost, charges and expenses due and which may at any time become due to the Bank/from the**

***DELETE IF NOT REQUIRED**

****DELETE JOINTLY & SEVERALLY IN CASE OF SINGLE EXECUTANT**

Borrower(s), on the accounts opened in respect of the said limits (hereinafter called the said accounts) down to the date of payment and also all loss or damages, costs, charges and expenses and in the case of legal costs, as between attorney and client occasioned to the Bank by reason of omission, failure or default temporary or otherwise in such payment by the Borrower(s) or by the Guarantor(s) of any or them including costs (as aforesaid) of enforcement or attempted enforcement of payment by suit or otherwise or by sale or realisation or attempted sale or realisation of any security for the said

indebtedness or otherwise howsoever or any costs (which costs to be as aforesaid) charges or expenses which the Bank may incur by being joined in any proceeding to which the Bank may be made or may make itself party either with or without others in connection with any such securities or any proceeds thereof.

- 3. The Guarantor(s) hereby declare(s) that this guarantee shall be a continuing guarantee and remain operative in respect of each of the said limits severally and may be enforced as such in the discretion of the Bank, as if each of the facilities / limits had been separately guaranteed by him/them. This guarantee shall not be considered as cancelled or in any way affected by the fact that at any time or from time to time any of the said accounts may show on liability against the Borrower(s) or may even show credit in his/their favour but shall continue and remain in operation in respect of all subsequent transactions till the accounts are closed.**

4. The Guarantor(s) hereby consent(s) to the Bank making any variance without reference or notice to them, that it may think fit in the terms of contract, including any change in rate of interest charged to the account, with the Borrower(s). The Guarantor(s) further consent(s) to the Bank accepting additional collateral security of any kind, determining enlarging or varying any credit to him/them or making any composition with him/them or promising to give him/them time are not sue him/them and to the Bank parting with any security it may hold for the guaranteed debt. The Guarantor(s) also agree(s) that he/they shall not be discharged from his/their liability by the Bank releasing the Borrower(s) or by any action or omission of the Bank, the legal consequences of which may discharge the Borrower(s) or by any act of the Bank which would, but for this present provision be inconsistent with his/their rights as Guarantor(s) or by the Bank's omission to do any act which, but for this present provision, the Bank's duty to the Guarantor(s) would have required the Bank to do. Though as between the borrower(s) and the guarantor(s) he is/they are guarantor(s) only, the guarantor(s) agree(s) that as between the Bank and guarantor(s) they are debtor(s) jointly with the borrower(s) and accordingly he/they shall not as such be entitled to claim the benefit of legal consequences of any variation in the terms of the contract and to any of the rights conferred on a Guarantor by Sections 133, 134, 135, 139 and 141 of the Indian Contract Act. The Guarantor(s) further agree(s) that the acceptance by the Bank of any irregular payments or any amount short of the Amount of agreed instalment/s. whether made before or due dates or thereafter by the Borrower(s), shall not discharge the Guarantor(s) from his/their liability and such acceptance will not amount to or create any new or fresh contract. The Guarantor(s) further agree(s) that the Bank shall be under no obligation to notify him/them, any default committed by Borrower(s) at any time or from time to time.

- 5. The Guarantor(s) hereby consent(s) to the Bank renewing from time to time and said _____ limits of Rs. _____ allowed to the Borrower(s) obtaining fresh documents from him/them closing the existing account, opening new accounts, or transferring the same or part thereof to any branch of the Bank. Notwithstanding this, the Guarantor(s) agree(s) and declare(s) that he/they shall remain**

liable to the Bank for any indebtedness of the Borrower(s) under the renewed limit and terms and conditions of this deed shall apply and govern their liability under the renewed limit.

6. The Guarantor(s) further declare(s) that all dividends, compositions or payment received by the bank from Borrower(s) or any other persons liable to him/them or his or their representative shall be taken and applied as payment in gross and the Guarantor(s) and their representatives shall have no right to claim the benefit of any such dividends, compositions or payment unit full amount of all claims of the Bank against the Borrower(s) his/their representatives which are covered by this guarantee shall have been paid.
7. No advance, overdraft or other credit facilities that the Bank may give to the Borrower(s) beyond the limit mentioned in para No.1 above or obtaining of any other guarantee or security from the Borrower(s) shall determine, prejudice or lessen the liability of the Guarantor(s) hereunder.
8. The Guarantor(s) further agree(s) that any accounts settled between the Bank and the Borrower(s) or the balance admitted or confirmed by him/them or his their authorised agents as due on the said accounts to the Bank will be conclusive and shall not be disputed or questioned by the Guarantor(s).
9. The Guarantor(s) authorise(s) and appoint(s) each of the Borrowers or any person duly authorised by them to operate account and also each of the co-guarantors as agent to confirm the balance due and acknowledge liability on his/their behalf as Guarantor(s) from time to time. The Guarantor(s) further agree(s) that any acknowledgement of liability made by Borrower(s) or any person duly authorised by him/them to operate account or any of the co-guarantors as agent on behalf of the Guarantor(s) shall be binding on them for giving fresh start of limitation and also for admission of liability against him/them.
10. In case the Bank sells the hypothecated, pledged or mortgaged security/ies held in the account, the Guarantor(s) agree(s) that the Bank may sell said securities without giving any notice of such sale of the Guarantor(s). The Guarantor(s), agree(s) that he/they will not question the sale or the sale price in any manner or on any ground whatsoever.
11. In case the amount guaranteed by the Guarantor(s) is paid by the Borrower(s) to the Bank and the Bank in consequence discharge the Guarantor(s) from all liabilities under this guarantee, but it is subsequently determined by a Court of Law or otherwise that the said payment was a fraudulent preference and the Bank is made to refund the said amount, the Guarantor(s)' liability to the Bank on the basis of this guarantee shall revive to the same extent and in the same manner as if such payment had never been made.
12. The Guarantor(s) also agree(s) that the Bank may enforce the guarantee without enforcing, selling or realising any of the securities

kept under lien, hypothecated, pledged or mortgaged with it, notwithstanding that any bills or other instruments given by the Borrower(s) in the said account may be in circulation for collection and outstanding.

13. The guarantee hereby given shall not be determinable or taken as satisfied by the Guarantor(s) except on the terms of his/their making full payment unto the limit of his/their guarantee for any then outstanding liabilities or obligations on the said account. The guarantee shall not be affected by his/their death or insanity until the Bank shall have received formal authentic notice in writing thereof.
14. If the Guarantor(s) has/have or shall hereafter take any security from the borrower(s) in respect of his/their liability under this guarantee, the Guarantor(s) will not prove in the liquidation of the Borrower(s) in respect thereof to the prejudice of the Bank and such security shall stand as security and shall be forth with deposited with the Bank.
15. So long as any money remains owing under this guarantee, the Bank shall have lien on all moneys standing to the credit of guarantor(s) and on any securities or goods in the hands of the Bank belonging to any of the Guarantor(s) and the Bank shall be entitled to appropriate/set off/realise to same.
16. The absence or infirmity in the borrowing powers on the part of the Borrower(s) or any irregularity whatsoever in the exercise thereof shall not affect the liability of the Guarantor(s) and any moneys advanced to the Borrower(s) shall be deemed to be due and owing notwithstanding such absence, infirmity or irregularity and this guarantee shall not be affected by any change in the name or constitution of the Borrower(s). It is further expressly agreed that this guarantee shall remain enforceable against the Guarantor(s) irrespective of the fact whether the contract between the Borrower(s) and his/their creditor is enforceable at law or not. It is also expressly agreed that in case the guarantee given by the Guarantors can not be enforced or becomes unenforceable at law for any reason whatsoever, the guarantee given hereunder be enforced as an indemnity against the Guarantor(s) and he/they agree(s) and undertake(s) indemnify and reimburse the Bank for any loss, damages, costs and other charges which the Bank may have to recover and realise from the Borrower(s) in his/their accounts with it.
17. Any notice by the Bank in writing under this guarantee or a demand in writing shall be deemed to have been duly given to the Guarantor(s) by sending the same by post addressed to him/them at the address hereunder written and shall be effectual notwithstanding any change of residence or death and notwithstanding the notice therefor to the Bank and such demand shall be deemed to have been received by the Guarantor(s) 24 hours after the posting thereof and shall be sufficient to prove that the letter containing the demand was properly addressed and posted.
18. The Guarantor(s) agree(s) that a copy of account of the principal debtor(s) contained in the Bank books of account signed by the

Manager for the time being of the office at which such accounts shall be kept or any officer of the Bank shall be conclusive evidence against him/them of the amount for the time being due to the Bank from the principal debtor(s) in any accounts or other proceedings brought against him upon this guarantee.

In witness whereof the Guarantor(s) and the Bank have set their hands hereunto on _____ day _____ '20

Guarantor(s)

Signature _____
Name _____
Occupation _____
Address: _____

Signature _____
Name _____
Occupation _____
Address: _____

WITNESSES:

1. _____

2. _____

FOR AND ON BEHALF OF THE BANK

| | |
|---|---|
| <p>AUTHORITY FOR INSURANCE TO BE TAKEN IN DUPLICATE</p> <p>*Here mention whether the risk of fire, riot or Civil Commotion etc.</p> | <p>To</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Dear Sir,</p> <p>I/we request you to insure against the risk of _____</p> <p>_____ the undermentioned properties for the values mentioned against each under instructions of Punjab National Bank and/or continue to insure the same or any one or more of them for any value under their instructions from time to time in their and our joint names with the following usual bank clause :-</p> <p>It is hereby declared and agreed :-</p> <ol style="list-style-type: none"> 1. 1. that upon any moneys becoming payable under the policy, the same shall be paid by the company to the bank and such part of any moneys so paid as may relate to the interests of other parties insured hereunder shall be received by the bank as agents for such other parties. 2. 2. that the receipt of the Bank shall be a complete discharge of the company, therefore, and shall be binding on all parties insured hereunder. 3. 3. that if and whenever any notice shall be required to be given of other communications shall be required to be made by the company to the insured or any of them in any matter arising under or in connection with this policy, such notice or other communications shall be deemed to have been sufficiently given or made, if given or made to the bank. 4. 4. that any adjustment settlement, compromise or reference to arbitrations in connection with any dispute between the company and the insured or any of them arising under or in connection with this policy if made by the bank shall be valid and binding on all parties insured hereunder, but not so as to impair the right of the Bank to recover the full amount of any claim |
|---|---|

it may have on other parties insured hereunder and

5. 5. that this insurance so far only as it relates to the interest to this Bank herein shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to, upon or in any building hereby insured or in other building in which the goods insured under the policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alteration on increase of hazard not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company the necessary additional premium from the time when such increase of risk first took place. And it is further agreed that whenever the company shall pay the Bank any sum in respect of the loss or damage under this policy and shall claim that as to the mortgager or owner no liability therefore existed the company shall become legally subrogated to all the rights of the Bank to the extent of such payment but not so as to impair the right of the bank to recover full amount of any claim if any have on such mortgager or owner of any other party or parties insured hereunder or from any securities or funds available.

Details of the property

1. _____

for Rs. _____

2. _____

for Rs. _____

3. _____

| | |
|--|--|
| <p>(a) Give details of properties with boundaries.</p> <p>(b) In case of movable goods state boundaries of godown and nature of stocks</p> <p>PNB 374</p> | <p>_____</p> <p>_____</p> <p>_____</p> <p>for Rs. _____</p> <p>_____</p> <p>_____</p> <p style="text-align: right;">Yours faithfully,</p> <p>Please comply with the instructions contained in the above letter.</p> <p>Pending issue of policy, cover note may be sent to us immediately.</p> <p style="text-align: center;">FOR PUNJAB NATIONAL BANK (HO : 7, Bhikaji Cama Place, New Delhi)</p> <p style="text-align: right;">Manager</p> |
|--|--|

| | |
|---|--|
| <p>AUTHORITY FOR INSURANCE TO BE TAKEN IN DUPLICATE</p> <p>*Here mention whether the risk of fire, riot or Civil Commotion etc.</p> | <p>To</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Dear Sir,</p> <p>I/we request you to insure against the risk of _____</p> <p>_____ the undermentioned properties for the values mentioned against each under instructions of Punjab National Bank and/or continue to insure the same or any one or more of them for any value under their instructions from time to time in their and our joint names with the following usual bank clause :-</p> <p>It is hereby declared and agreed :-</p> <ol style="list-style-type: none"> 1. 1. that upon any moneys becoming payable under the policy, the same shall be paid by the company to the bank and such part of any moneys so paid as may relate to the interests of other parties insured hereunder shall be received by the bank as agents for such other parties. 2. 2. that the receipt of the Bank shall be a complete discharge of the company, therefore, and shall be binding on all parties insured hereunder. 3. 3. that if and whenever any notice shall be required to be given of other communications shall be required to be made by the company to the insured or any of them in any matter arising under or in connection with this policy, such notice or other communications shall be deemed to have been sufficiently given or made, if given or made to the bank. 4. 4. that any adjustment settlement, compromise or reference to arbitrations in connection with any dispute between the company and the insured or any of them arising under or in connection with this policy if made by the bank shall be valid and binding on all parties insured hereunder, but not so as to impair the right of the Bank to recover the full amount of any claim it may have on other parites insured hereunder and |
|---|--|

5. 5. that this insurance so far only as it relates to the interest to this Bank herein shall not be invalidated by any act or omission on the part of any other party insured hereunder whereby the risk is increased or by anything being done to, upon or in any building hereby insured or in other building in which the goods insured under the policy are stored without the knowledge of the Bank provided always that the Bank shall notify the Company of any change of ownership or alteration on increase of hazard not permitted by this insurance as soon as the same shall come to its knowledge and shall on demand pay to the Company the necessary additional premium from the time when such increase of risk first took place. And it is further agreed that whenever the company shall pay the Bank any sum in respect of the loss or damage under this policy and shall claim that as to the mortgager or owner no liability therefore existed the company shall become legally subrogated to all the rights of the Bank to the extent of such payment but not so as to impair the right of the bank to recover full amount of any claim if any have on such mortgager or owner of any other party or parties insured hereunder or from any securities or funds available.

Details of the property

1. _____

for Rs. _____

2. _____

for Rs. _____

3. _____

(a) Give details of properties with

| | |
|--|--|
| <p>boundaries.</p> <p>(b) In case of movable goods state boundaries of godown and nature of stocks</p> | <p>_____</p> <p>for Rs. _____</p> <p>_____</p> <p>_____</p> <p style="text-align: right;">Yours faithfully,</p> <p>Please comply with the instructions contained in the above letter.</p> <p>Pending issue of policy, cover note may be sent to us immediately.</p> <p style="text-align: center;">FOR PUNJAB NATIONAL BANK (HO : 7, Bhikaji Cama Place, New Delhi)</p> <p style="text-align: right;">Manager</p> |
| PNB 374 | |

ANNEXURE-28

PUNJAB NATIONAL BANK

BRIEF CONFIDENTIAL REPORT ON INDIVIDUALS
(BORROWER / GUARANTOR)

1. **1. Name & Address of Borrower / Guarantor** : _____

2. **Purpose of Loan & Amount** : _____
3. **Net Means of Borrower/Guarantor** : _____
4. **Details of Immovable Property** : _____
 - a) **Situated at** _____
 - b) **Whether encumbered/unencumbered** _____
 - c) **Present Market Value (Approx.)** _____
 - d) **Source of verification** _____
5. **Past dealings with our Bank** : _____
6. **Market Report on Borrower /** : _____

Guarantor _____

7. Previous CR date & Net Means : _____

8. Any other relevant information : _____

Prepared by

Name: _____

MANAGER / INCUMBENT INCHARGE

Name: _____

Designation: _____

Place: _____

Dated: _____

PNB-282C

PUNJAB NATIONAL BANK

BRIEF CONFIDENTIAL REPORT ON INDIVIDUALS
(BORROWER / GUARANTOR)

- 2. 2. Name & Address of Borrower / Guarantor** : _____

- 2. Purpose of Loan & Amount** : _____
- 3. Net Means of Borrower/Guarantor** : _____
- 4. Details of Immovable Property** :
- a) Situated at _____
- e) e) Whether encumbered/unencumbered _____
- f) f) Present Market Value (Approx.) _____
- g) g) Source of verification _____
- 5. Past dealings with our Bank** : _____
- 6. Market Report on Borrower / Guarantor** : _____

- 7. Previous CR date & Net Means** : _____
- 8. Any other relevant information** : _____

Prepared by**Name:** _____

MANAGER / INCUMBENT INCHARGE

Name: _____**Designation:** _____**Place:** _____**Dated:** _____

PNB-282C

**PUNJAB NATIONAL BANK
RETAIL BANKING DIVISION
HO: 5 SANSAD MARG, NEW DELHI**

ANNEXURE

RATE OF INTEREST

RATE OF INTEREST UNDER **FIXED** OPTION:

| TENOR For loans repayable in/upto | RATE OF INTEREST @ percent p.a. |
|---|--|
| i) Upto 5 years | 11.00 |
| ii) Above 5 & upto 20 years | 12.00 |
| iii) Above 20 yrs & upto 25 years | 13.00 |

However, the rate of interest under FIXED option will not be changed unless Banks PTLR is fixed above the rate of Interest applicable to the loan account as per the sanction. In such cases, the rate of interest applicable to the loan account shall be fixed at PTLR itself.

RATE OF INTEREST UNDER **FLOATING** OPTION:

| TENOR For loans repayable in/upto | RATE OF INTEREST @ percent p.a. |
|---|--|
| i) Upto 5 years | 10.75 |
| ii) Above 5 & upto 20 years | 11.00 |
| iii) Above 20 yrs & upto 25 years | 12.00 |

ZMs & above may relax interest rate maximum by **0.25% p.a.** which are **repayable within 5 years.**

Option for Fixed or Floating Rate of Interest exercised by the borrower will not be allowed to be changed for a minimum period of 3 years, whereafter any change would be at the discretion of the Sanctioning Authority.

The above rate of interest will be applicable on all fresh loans sanctioned under the Scheme **w.e.f. 01.05.2002.**

The borrower(s) will be required to exercise the option of rate of interest at the time of submission of loan application and the same be obtained.