

## CORP SHELTER LOAN SCHEME

(Reverse Mortgage Scheme )

<b>1</b>	<b>Eligibility</b>	⇒ Applicant should be a Senior Citizen of India ⇒ Applicant should be of at least 60 years of age ⇒ In case of married couple, one of the applicant should be of at least <b>60</b> years of age, and another should be at least of <b>55</b> years of age ⇒ Property should be owned by either applicant or jointly with his spouse ⇒ Only Residential property is eligible ⇒ Property should be free from any encumbrances ⇒ Property should have been used as permanent primary residence ⇒ No income criteria is applicable	
<b>2</b>	<b>Purpose</b>	⇒ Supplementing Pension/Other income ⇒ Upgradation /Renovation/Extension of residential property ⇒ Uses associated with home Improvement/Maintenance/Insurance of residential property ⇒ Medical/Emergency expenditure for maintenance of family ⇒ Repayment of an existing loan taken for the residential property to be mortgaged ⇒ Meeting any other genuine needs (Borrower should not use the loan proceeds for speculative/trading purposes)	
<b>3</b>	<b>Nature of facility</b>	Loan in the form of Term loan only.	
<b>4</b>	<b>Tenor of the loan</b>	As per the age group of sole applicant /younger in the case of joint applicant ► <b>Completed age between 55 &amp; 65 years : 15 years</b> ► <b>Completed age of 66 years &amp; above : 10 years</b>	
<b>5</b>	<b>Amount</b>	Minimum of <b>Rs.1 lakh</b> & Maximum of <b>Rs.50 lakhs</b> , subject to proportion of assessed value of the property in relation to age of the borrower/s	
		Age of the Sole applicant/ Younger in the case of joint applicant (co applicant spouse)	Loan as proportion of assessed value of property
		<b>55 to 65 years</b>	<b>45%</b>
		<b>66 to 70 years</b>	<b>55%</b>
		<b>71 to 75 years</b>	<b>60%</b>
		<b>Above 75 years</b>	<b>70%</b>
<b>6</b>	<b>Margin</b>	<b>Margin on property is in relation to age of the borrower/s</b>	
		Age of the Sole applicant/ Younger in the case of joint applicant (co applicant spouse)	Margin
		<b>55 to 65 years</b>	<b>55%</b>
		<b>66 to 70 years</b>	<b>45%</b>
		<b>71 to 75 years</b>	<b>40%</b>
		<b>Above 75 years</b>	<b>30%</b>

7	<b>Rate of Interest w.e.f. 02.08.2010</b>	<b>Floating : 10.50 %</b>	<b>Fixed : 11.00 %</b>
		<p>▶<b>0.50%</b> concession shall be extended till such date the pension or all pensions in case of multiple pensions of single borrower or joint Borrowers is /are credited to account maintained at our Bank.</p> <p>▶Fixed rate of interest is subject to reset clause at the discretion of Bank.</p>	
8	<b>Security</b>	<p>▶Mortgage of residential property offered as security against which the loan is sought. (Commercial property is not eligible for loan)</p> <p>▶Registered Will in favour of Bank</p>	
9	<b>Guarantee</b>	Third party guarantee should not be insisted	
10	<b>Repayment</b>	There is no repayment of loan during the loan tenor	
11	<b>Processing Charges</b>	<p><b>NO</b> processing charges</p> <p>However charges incurred by the Bank towards legal opinion, valuation, stamp duty, registration, survey, due diligence etc to be recovered from the borrowers.</p>	
12	<b>Pre Payment Penalty</b>	No Prepayment penalty	
13	<b>Disbursement</b>	<p>Periodical : Monthly, Quarterly, Half yearly, Yearly</p> <p>Lump-sum : In one or more tranches</p> <p>Combination : of lump-sum &amp; periodical payment</p> <p>▶Loan proceeds will be directly credited to the account of the borrower except for paying off existing loan, payment to contractors in case of repairs, payment of property tax, insurance.</p> <p>▶After documentation, borrower/s have 3 business days to cancel the loan</p> <p>▶Disbursement of loan be made after 10 days of execution of documents</p> <p>▶Loan amount arrived at shall be disbursed/released at discounted value in such a way that on completion of loan tenor, amount disbursed &amp; accrued Interest debited from time to time together shall not exceed sanctioned loan limit</p>	
14	<b>Repayment</b>	<p>Loan becomes due for payment in the following cases :</p> <p>▶Last surviving borrower dies</p> <p>▶Borrower would like to sell the property</p> <p>▶Permanently moves out for home for aged /to an institution, or to relatives</p> <p>▶Borrower/s has not lived in the house continuously for one year nor intend to live continuously</p>	

15	<b>Foreclosure</b>	<p>Bank has right to foreclose the loan in the event of:</p> <ul style="list-style-type: none"> <li>⇒ Borrower fails to pay property tax promptly.</li> <li>⇒ Borrower fails to keep the house insured/ or carry out maintenance / repairs</li> <li>⇒ Borrower/s declares them as insolvent /bankrupt.</li> <li>⇒ Mortgaged property is donated or abandoned by the borrower.</li> <li>⇒ Renting out the property, or adding new owner to the title of the house, taking new loan against mortgaged property.</li> <li>⇒ Perpetration of fraud or misrepresentation by the borrower/s.</li> <li>⇒ Government under statutory provisions, seeks to acquiring residential property for public use.</li> <li>⇒ Government condemns the property for health or safety reasons.</li> </ul>
16	<b>Other Conditions</b>	<ul style="list-style-type: none"> <li>➤ loan amount is arrived as per valuation of property. Valuation report shall not be more than 6 months old.</li> <li>➤ Mortgaged property shall be insured for full value.</li> <li>➤ Valuation of property shall be done, once in three years &amp; loan amount shall be revised accordingly.</li> <li>➤ Bank may revise periodic/lump-sum amount based on revaluation of the Property once in three years.</li> <li>➤ Borrower should execute a Registered Will in favour of the Bank.</li> <li>➤ Borrower should undertake that the will executed by him supercedes earlier Wills if any, and he will not execute any fresh Will during the currency of the loan.</li> <li>➤ Live Certificate /Balance confirmation are to be obtained once in a year.</li> </ul>