

Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/Settlement of Personal Loans

1) Eligible Credit Facilities:

Following category of loans given to individual borrowers shall be eligible under:-

- Loans for Consumer Durables,
- Credit Card Receivables,
- Auto Loans (other than loans for commercial use),
- Personal Loans secured by gold, gold jewellery, immovable property, fixed deposits (including FCNR(B)), shares and bonds, etc., (other than for business / commercial purposes),
- Personal Loans to Professionals (excluding loans for business purposes), and
- Loans given for other consumption purposes (e.g., social ceremonies, etc.)
- Education Loan,
- Loans given for creation/ enhancement of immovable assets (e.g., housing, etc.), and
- Loans given for investment in financial assets (shares, debentures, etc.)

2) Release of Movable/immovable property Documents

- Branch Office from where the borrower(s) has availed the loan shall release all the original movable/ immovable property documents.
- Branch Office from where the borrower(s) has availed the loan shall be responsible for removal of charges registered with any registry.

3) Incorporation in Sanction Letter

The timeline and place of return of original movable/immovable property documents will be mentioned in the loan sanction letters issued on or after 01.12.2023.

4) Release of Movable/immovable property Documents in case of demise of the borrower(s)

Following procedure for releasing of property documents / title deeds of movable / immovable properties in favour of legal heirs shall be adopted by the Bank:

- Duly dated application by legal heir/s for release of property documents/ articles in their favour.
- Death certificate issued by the Competent Authority.
- Legal Heir Certificate issued by the Legally Competent Authority.
- Verification of KYC Documents.

- Compiling Due Diligence Report of Claimants / legal Heirs (capturing contact details)
- Confirm that the bank Deposit/other properties for which claim is made, are mentioned in the security schedule of loan document.
- Title Verification Report of empanelled advocate of the property issued at the time of advance to be examined by the branch before release in favour of legal heirs.
- Valuation of the Article from empanelled valuer (if required).
- Proper Acknowledgement on Equitable Mortgage Register towards Release of Document in favour of legal heirs or releasing charge with the Registrar as the case may be.
- Proper Acknowledgement of hand over of Articles/ title deeds from Legal Heirs of the Deceased.
- Court order / Probate/ succession certificate/ Letter of Administration etc. as the case may be, where legal heirs have made their claim under any of aforesaid documents.
- Indemnity bond as per nature of claim.

The aforesaid documents are to be collected from the claimant/ legal heirs by the branch based on the nature of claim.

5) Compensation for delay in release of Movable/Immovable Property Documents

- In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, Branch Office shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Branch, it shall compensate the borrower at the rate of ₹5,000/- for each day of delay.
- In case of loss/damage to original movable / immovable property documents, either in part or in full, Branch Office shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated above. However, in such cases, an additional time of 30 days will be available to the Branch Office to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

6) Applicability

The directions shall be applicable to all the cases where release of original movable/immovable property documents falls due on or after December 1, 2023.