

MOST IMPORTANT TERMS & CONDITIONS

Regd.Office: 21, Patullos Road, Chennai – 600 002
Corporate Office: 46, Whites Road, Royapettah, Chennai – 600014
Ph: 044-28515267, Fax : 044-28582235

To _____

Date: _____

Sir/Madam,

Sub : Your Application for Loan

With reference to your application for loan, we confirm having made our in-principle offer as under:

1. Loan Details

- a) Loan amount: Rs. _____ (Rupees _____ only). Final sanction of Loan will be subject to the following:
- (i) Proof of income and other loan commitments declared
 - (ii) Property being found to be marketable, conforming to the laws of the land and having sufficient value to cover the loan amount, after inspection by the officials of the Company
 - (iii) Title to the property being clear, valid, free from encumbrances and marketable
- b) Product: _____ [Housing Loan (or) Non-Housing Loan (or) Land Loan]
- c) Term: _____ (months /years)
- d) Rate of Interest: _____ % per annum (variable) at monthly rests.
- e) EMI: Rs. _____

(The rate of interest is subject to change and is variable in line with SHFL's Prime Lending Rate which is determined based on market conditions. In case of variation, the term of repayment or EMI or both are liable to vary from time to time. SHFL will communicate the changes within a period of one month from the date of variation and it may also display information on the notice board / official website of the company and choose such other modes of communication as it deems fit to intimate such changes.)

2. Fee & Other charges : In addition to the below charges, KFC (Kerala Flood Cess) is applicable to the state of Kerala only & those customers who do not have GST registration.

- a) Processing fee:-
- (i) Upfront Processing Fees: [Rs. (or) %] _____ + GST (non-refundable)
 - (ii) Balance payable: [Rs. (or) %] _____ + GST before disbursement of loan. (This will vary in case of any subsequent increase / decrease in the loan amount)
- b) Income Appraisal Fees (if applicable): Rs. _____ (actual) + GST (payable upfront and non-refundable)
- c) Documentation charges: Rs. _____ + GST (Kerala – Rs.800/-, Rajasthan – Rs.700/-, Maharashtra & Gujarat Rs.600/- and Other states Rs.450/-)
- d) CERSAI charge applicable for each property : Rs.100 + GST
- e) Internal Legal & Technical Appraisal charges: Rs.3000/- each + GST
- f) External Legal & Technical Appraisal charges: (only if external opinion obtained): ranges from Rs.1500/- to Rs.10000/- + GST
- g) Stamp Duty (MOTD) fee (as per the Stamp & Registration Act of the respective State Government) & Registration charges at SRO: As applicable
- h) Switch Fee: 0.5% of the Principal Outstanding + GST
- i) Statement charges : Rs.500/- + GST
- j) IT Certificate Charges : Rs.500/- + GST. Not applicable if requested for the first time in a financial year.
- k) Settlement Figure Charges :Rs.500/- + GST
- l) Document Retrieval charges : NIL
- m) Conversion charges : NIL
- n) Cheque return charges : Rs.500/- + GST
- o) Bank Charges : Rs.1/- per Rs.1000/- + GST if the disbursement is made through Demand Draft (DD)

- p) Document Handling Charges : Rs.1200/- + GST for Tamil Nadu, Rs.1500/- + GST for Andhra Pradesh & Telengana, Rs.1550/- + GST for Karnataka, Rs.2500/- + GST for Madhya Pradesh, Odisha, Rajasthan, West Bengal, Gujarat and Maharashtra (Wherever the external agency is engaged for registration).
- q) ROC Filing Fee : Rs.1000/- + GST if the loan is availed by a company, in the capacity of borrower/co-borrower/ guarantor.
- r) Repricing Fee : 0.50% + GST
- s) CA Certification Fee : Rs.10000/- + GST (wherever Form 26A is provided to customer)
- t) Outstation Cheque charges : Rs.4/- per Rs.1000/- + GST
- u) Non PDC/Non Mandate Collection for PEMI/EMI : Rs.300/- + GST. Applicable where we have to follow up for payments.
- v) Swapping mandate to cheque : Rs.500/- + GST
- w) Repossession Charges : Actual expenses + GST
- x) Travelling Expenses per month : Rs.200/- + GST (2dues or more which are in arrears)
- y) Prepayment charges: The loan can be repaid either in part or in full anytime during the tenure of the loan. Part prepayments will be accepted subject to the condition that only THREE such part payments will be made in a financial year and that the amount prepaid each time will be equivalent to a minimum of 6 EMI's.
- Prepayment charges are not applicable in respect of loans availed by individual borrowers under variable interest rates as currently mandated by NHB. If later, NHB permits the levy of such charges, SHFL will intimate the closure charges to the customers and that will be binding.
- If the loan is availed / converted to fixed interest rates by individual borrowers, prepayments, thereafter, will attract charges at 1% in case of takeover by other Banks / HFCs.

However, for Housing & Non Housing loans availed by a Firm or Corporate, in the capacity of borrower/co-borrower/ guarantor, prepayment charges are applicable for all loans on both fixed and variable interest rates as given below

CATEGORY	PREPAYMENT CHARGES
If paid out of own funds	1.50%
In case of takeover by other HFC/Bank	2.00%

Non individuals may be Proprietorship, Partnership Firms, Private or Public Ltd Companies, Trusts, Societies, etc.

Necessary documentary proof to the satisfaction of SHFL should be furnished if a loan is sought to be prepaid out of own funds. The charges indicated above may undergo changes due to market conditions. SHFL may choose to display information on the notice board / official website of the company, send SMS / letter to borrowers, newspaper publication or any other mode as it deems fit to intimate such changes.

*** All charges will be rounded to the next higher rupee. Any payments made by cash will attract cash handling charges mentioned in point no.10.**

3. Insurance of the Property / borrowers:

- a) Life Insurance Premium Rs _____ (approximately). SHFL has made arrangements with Insurance Companies to provide life cover as per the underwriting norms of the insurer. Borrower(s) may be required to undergo medical examination and acceptance of the proposal will be at the sole discretion of the Insurance Company and SHFL has no role in this regard.

The premium is fixed by the Insurance Company and is based on the loan amount, term, age and medical history of the insured. The premium can be paid as follows:-

- One time premium for the entire period of the loan
- Annual premium to be paid every year for a specified number of years as determined by the insurer. (This will be allowed only in cases where the Insurance Company is not allowed to collect the full premium upfront for the entire term of the loan.)

In either of the cases, premium is payable by the borrower before commencement of risk. SHFL is not responsible for any lapse in this regard.

- b) Personal Accident Insurance: SHFL has made arrangements with Insurance Companies to cover the risk against accidents. If life cover is not opted, borrowers can opt for Personal Accident cover. The premium is based on the loan amount and the coverage is for a period of 5 years and renewable thereafter on payment of renewal premium as advised by the Insurance Company. Along with Personal Accident, borrowers can also opt for additional cover for Critical Illness, EMI Protection and Hospital Cash. The maximum coverage period is 5 years and premium for each of these additional covers is based on the coverage amount and tenure. On expiry of the tenure term, policies can be renewed on payment of renewal premium as advised by the Insurance Company. SHFL is not responsible for any lapse in this regard.
- c) Property Insurance: Premium is payable for the loan term at the time of first disbursement. The premium is based on the value of building and usage of the property and the risks covered include fire, floods and earthquake (In case of plot loans property insurance is not applicable).
- d) While the company has arrangement with Insurance companies, the Borrower is free to choose an insurance company of his/her choice.

4. Security for the Loan:

- a) Details of the primary security to be mortgaged:
- b) Details of Guarantee if any:
- c) Collateral / Interim Security if any:

5. Conditions for Disbursement of Loan:

Disbursement of the loan will be subject to

- a) Title to the property being clear, valid, free from encumbrances and marketable
- b) All statutory approvals being available and construction of property is in accordance with approved plan
- c) The borrower's contribution being infused in respect of the property (Own contribution is the difference between the total cost of the property and loan amount). Borrowers are required to submit documentary proof evidencing the sources of own contribution.
- d) The loan will be disbursed either in installments or in one lump sum as decided by SHFL based on progress in construction / project
- e) Compliance of any other condition that SHFL may prescribe before disbursement of loan
- f) If the loan continues to be in partly disbursed stage after 18 months from the date of previous disbursement, SHFL will freeze the loan at the level already disbursed and the Borrower shall commence EMI for the amount disbursed. On doing so, the EMI will be reworked based on the loan outstanding at the time of such freezing of the loan amount (to the extent of loan disbursed till then, as stated above), residual loan tenure, age of the borrower and ROI prevailing at that point of time in such manner and to such an extent as SHFL may, in its sole discretion, decide and the repayment will be made as per the revised terms notwithstanding anything stated in this agreement.

6. Others:

- a) In the case of Land loans, it is mandatory to complete construction of a residential dwelling unit within a period of three years from the date of disbursement of the land loan, failing which, the land loan will be converted to a Non-Housing loan and will attract the rate, term and other charges as applicable to a Non-Housing loan.
- b) Loans granted under any special scheme announced by the Regulator / Government etc. involving any benefit is subject to audit by the Regulator / Government as to the eligibility under the scheme and if at a later date, it is found that the loans do not meet the specified criteria of the scheme, the benefits/subsidy already passed on to the customers will be recalled and refunded to the Government/Regulator.

7. Repayment of Loan & Interest:

- a) The loan is repayable in Equated Monthly instalments (EMIs) every month. In case the loan is disbursed in instalments, Pre-EMI interest (PEMI) is payable every month on the amounts cumulatively disbursed from the date of disbursement till the commencement of EMI. The PEMI payment dates are 25th of every month and is to be paid by way of Post Dated cheques. EMI is payable through electronic modes (Auto Direct Debit / ECS / NACH), or Post- dated cheques. The EMI commences from the date of final disbursement and the due date of payment is the corresponding date of the subsequent month(s) and is payable every month till the loan is amortised.

- b) In case, the repayment is by way of Salary Deduction, the EMI commences from the 7th of a month following the date of final disbursement and the due date of payment is 7th of the subsequent month. Broken period interest (PEMI) is payable till the commencement of EMI.
- c) Penal Interest @ 24% per annum is payable for any delay in payment of EMI/PEMI. It is calculated for the period for which the EMI / PEMI remains overdue
- d) Cheque dishonor charges of Rs.500/- + GST is applicable for every cheque that is returned unpaid. The charges rates are subject to revision depending upon the banking charges from time to time.

8. Appropriation of Payments:

Any payment made for credit of the loan account of the borrower by the Borrower or any third party on behalf of the Borrower under this Loan Agreement will be appropriated towards the dues, generally in the following order, namely:

- a) Incurred expenses
- b) Additional interest for delayed payments
- c) PEMI/EMI arrears
- d) PEMI/EMI current dues
- e) Other incidental Charges i.e. (Cheque return charges, prepayment charges, etc)
- f) Advance EMI
- g) Prepayment

SHFL reserve the rights to change the order / proportion of appropriation for any remittance under intimation to the BORROWER

9. Recovery of overdues:

- a) In the event of delay in payment of PEMI/EMI, borrowers will be contacted through various modes advising them to repay the amount due. Where the dues are not repaid and the account is likely to become a potential NPA, awareness notices will be sent to borrowers advising them about the consequences of default. In case the amount still remains unpaid and the account becomes an NPA, further notice will be sent advising them to regularize the loan account within a stipulated period. Where the borrower still fails to regularize the account even after receipt of the notice, the loan will be recalled by sending a notice under section 13(2) of the SARFAESI Act. The SARFAESI Act has conferred statutory powers upon the financial institution
 - (i) To take possession of the secured asset including the right to transfer by way of lease/assignment or sale of asset for realising the payment.
 - (ii) To possess and seal the secured asset before enforcing the right to transfer by way of lease, assignment or sale.
 - (iii) If after the sale of the secured asset, to initiate legal proceedings to recover the balance dues in case the value of the secured asset is insufficient to cover the total dues payable including legal expenses and incidental charges incurred towards recovery of dues.

10. Customer Services:

- a) To promote banking habit, we do not encourage cash payments. However, in exceptional cases, when any of the dues or charges are paid by way of cash, borrowers are advised to make the payment at any of our branches or to our authorized staff and obtain a cash receipt for the payments made. For cash payments, cash handling charges are applicable as follows:

Amount of remittance	Applicable Charges
Upto Rs.2000/-	NIL
Rs.2001/- to Rs.10000/-	Rs.30/- + GST per receipt
Rs.10001/- to Rs.50000/-	Rs.60/- + GST per receipt
Rs.50001/- to Rs.100000/-	Rs.150/- + GST per receipt
Rs.100001/- to Rs.1,99,000/-	Rs.200/- + GST per receipt

- b) For any post disbursement requirement such as Statement of Account, Income Tax Statement, etc. Borrowers with email IDs can opt for online access which offers them the facility to view and print such documents. Alternatively, they can call / write to the branch where the loan has been availed for any such requirement which will be mailed / posted within 7 working days.
- c) Photocopies of title documents will be made available to customers upon written request and on payment of a sum of Rs.250/- +GST for every such request. On payment, the requested documents will be mailed within 7 working days.

- d) On loan closure, the documents will be returned to the borrower and co borrower upon request within 15 working days through our branches. In case the documents are not collected within a month from the date of loan closure, the documents will be returned by our branches to the central document storage and the borrower should give prior intimation afresh to the branch about the probable date of collection. A sum of Rs.500/- + GST per month would be payable by the borrower in case the documents are not collected within 3 months from the date of closure.

11. Grievance Redressal:

In case of any grievance, customers may approach the Branch Manager of the location where the loan has been applied / availed. In case, the grievance is still not addressed, they can post their complaints by way of an email to customercare@sundaramhome.in. The grievance shall be addressed within 7 working days. In case, the complainant is dissatisfied with the response or where no response is given, he/she may write / mail to

The Complaint Redressal Cell, Department of Regulation & Supervision
National Housing Bank, 4th Floor Core 5A, India Habitat Centre,
Lodhi Road, New Delhi 110 003
Web-link: <https://grids.nhbonline.org.in>

The above terms and conditions have been read by the borrower/s/read over to the borrower by the staff of the Company and have been understood by the borrower/s.

Please be intimated that the final Loan Agreement will supersede the terms and conditions spelt out in this letter if there is any subsequent change.

Please note that the rate of GST is subject to change by Government of India. The GST rate as applicable on the date of payment of the charges would be applied and additional Cess levied by the Government would be applied.

For any further clarifications, you may contact the Branch Manager of the location where the loan has been applied / availed. Borrowers may also visit our branch between 9.00 a.m. to 5.30 p.m. on all working days from Monday to Saturday and for Rest Of India branches between 9.30 a.m. to 6.00 p.m. for any clarification. Every 2nd and 3rd Saturday will be a holiday and in case a month has five Saturdays, additionally, the 4th Saturday will be a half day.

We thank you for giving us an opportunity to serve you. Kindly return the duplicate copy of this letter in token of your acceptance.

Yours truly,

for **Sundaram Home Finance Limited**

Authorised Signatory

Signature of Customer