

To

\_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_  
Sir/Madam,

**Sub : Your Application for Loan – TRN \_\_\_\_\_**

With reference to your application for loan, we confirm having made an 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: \_\_\_\_\_
- c) Purpose of Loan : \_\_\_\_\_
- d) Term: \_\_\_\_\_ (months /years) plus moratorium of \_\_\_\_ months (including PEMI period)
- e) Rate of Interest: \_\_\_\_\_ % per annum (fixed) at monthly rests.
- f) Equated Monthly Instalment (EMI): Rs. \_\_\_\_\_ (May be subject to change depending on the date of disbursement)

**2. Fee & Other charges :**

- 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.600 + GST
- d) CERSAI charges applicable for each property :
- (i) Rs.50 + GST for loan amount up to Rs.5,00,000/-
  - (ii) Rs.100 + GST for loan amount above Rs.5,00,000/-
- e) Legal Appraisal Charges:
- (i) Internal Legal Appraisal charge applicable for each property: Rs.2,000/- + GST
  - (ii) External Legal Appraisal charge applicable for each property: Rs.2,000/- + GST
  - (iii) Additional Search fee for each property – Rs.1,000/- + GST (wherever applicable)
- f) Technical Appraisal Charges:
- (i) Internal Technical Appraisal charge applicable for each valuation: Rs.2,000/- + GST
  - (ii) External Technical Appraisal charge applicable for each valuation: Rs.2,000/- + GST
- g) Stamp Duty (MOTD) fee (as per the Stamp & Registration Act of the respective State Government) & Registration charges at Sub-Registrar Office (SRO): As applicable
- h) Switch Fee: 0.5% of the Principal Outstanding + GST
- i) Statement charges : Rs.500/- + GST. Not applicable if requested for the first time in a financial year.
- j) IT Certificate Charges : Rs.500/- + GST. Not applicable if requested for the first time in a financial year.
- k) Loan Outstanding/Settlement Figure Statement Charges :Rs.500/- + GST
- l) Document Retrieval charges : NIL

**Signature of the Borrower**

**Signature of the Co-Borrower(s)**

- m) Conversion charges : NIL
- n) Cheque/NACH/ECS/Auto Debit return charges : Rs.500/- + GST per instance upto 2 instances per month and Rs.1,000/- + GST per instance for more than 2 instances per month.
- o) Bank Charges : Rs.1/- per Rs.1,000/- + GST if the disbursement is made through Demand Draft (DD)
- p) Document Handling Charges : Rs.1,200/- + GST for Tamil Nadu, Rs.1,500/- + GST for Andhra Pradesh & Telengana, Rs.1,550/- + GST for Karnataka, Rs.2,500/- + GST for Madhya Pradesh, Odisha, Rajasthan, West Bengal, Gujarat and Maharashtra (Wherever the external agency is engaged for registration).
- q) Charges towards MOTD Cancellation/Discharge of Mortgage :  
Tamil Nadu : A mortgage discharge fee of Rs.1,000/- + GST on the first property plus Rs 500/- + GST for every additional property, will be collected directly at the time of loan closure.  
Other States : As per actuals / charges levied by any third parties plus applicable taxes and Statutory levies.
- r) Repricing Fee : 0.50% + GST
- s) CA Certification Fee : Rs.10,000/- + GST (wherever Form 26A is provided to borrower(s))
- t) Outstation Cheque charges : Rs.4/- per Rs.1,000/- + 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 in place of NACH/ECS/Auto Debit : 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) Bureau Charges : Rs.49/- + GST per Individual borrower(s) and Rs.335/- + GST per Non- Individual borrower(s)
- z) Prepayment charges:

	Product	Pre-Payment charges
Part/Full prepayment/ foreclosure charges	Fixed rate non housing loans	4% of the outstanding loan amount + applicable taxes and other statutory levies

SHFL retains the right to alter any charges or fees from time to time or to introduce any new charges or fees as it may deem appropriate prospectively. SHFL may choose to display information on the notice board / official website of the company, send SMS / letter to borrower(s), newspaper publication or any other mode as it deems fit to intimate such changes. If such change is to the disadvantage of the borrower(s), he/she may within 60 days and without notice close his / her account or switch it without having to pay any extra charges or interest.

**\* All charges will be rounded off to the nearest rupee. Any payments made by cash will attract cash handling charges mentioned in point no.12.**

### **3. Rate of Interest :**

- (i) The Borrower agrees to the Fixed Rate of Interest offered by SHFL. The rate of interest applicable to the Loan as on the date of execution, along with the terms applicable to such fixed rate of interest, are as stated in **Schedule- A** to the loan agreement.
- (ii) Our pricing strategy is currently market driven, besides taking into account other parameters such as profile of borrowers, credit history, location, nature of property and loan amount.

### **4. Insurance of the Property / borrower(s):**

- 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:-
  - a) One time premium for the entire period of the loan
  - b) 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(s) before commencement of risk. SHFL is not responsible for any lapse in this regard.

**Signature of the Borrower**

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- b) Personal Accident Insurance: SHFL has made arrangements with Insurance Companies to cover the risk against accidents. If life cover is not opted, borrower(s) 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, borrower(s) 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 a period of 10 years at the time of first disbursement and renewable thereafter on payment of renewal premium as advised by the Insurance Company. 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)

Borrower(s) shall ensure to pay the renewal premium on time and as and when it falls due and keep alive the Insurance policy assigned to us during the pendency of the loan. In the event, borrower(s) fails to pay the renewal premium, SHFL shall have the option to renew the policy and recover the same from the borrower(s).

- d) While the company has arrangement with Insurance companies, the Borrower(s) is free to choose an insurance company of his/her choice.

#### 5. 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:
- d) Penal Charges for non-creation of security :
  - (i) **In case of purchase of properties, takeover and vendor takeover:** Charges of Rs 3000/- + GST per month will be levied starting 60 days from the first disbursement for non-submission of original title documents.
  - (ii) **For all Products other than Agreement of Sale cases & Tripartite cases:** Charges of Rs 3000/- + GST per month will be levied starting 60 days from the date of first disbursement for non-creation of Mortgage (MOTD/SM).

#### 6. 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). Borrower(s) is/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 the 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. SHFL at its discretion and depending on merits of the case may extend the period beyond 18 months or may choose to commence EMI for the disbursed portion without downsizing the loan.
- g) Loan term is inclusive of PEMI period. EMI amount will be subject to change based on the date of disbursement.

#### 7. Refund of Processing Fee if the loan is not Sanctioned:

Minimum upfront processing fee (inclusive of GST) paid for housing and non-housing loans is non-refundable. Of the balance processing fee, only 75% (excluding GST already paid) is refundable in case the loan is not availed by the borrower for reasons whatsoever. In case of rejection by SHFL, the balance amount (excluding minimum upfront fee and GST already paid) would be refunded in full.

**Signature of the Borrower**

**Signature of the Co-Borrower(s)**

## **8. Others:**

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 borrower(s) will be recalled and refunded to the Government/Regulator.

## **9. Repayment of Loan & Interest:**

The loan is repayable in Equated Monthly Instalments every month and is detailed as under:

- a) Borrowers may choose the EMI/PEMI due date as the 5th, 10th, or 15th of each month.
- b) If the loan is disbursed in one lump sum (or) loan is disbursed in instalments against Plot/ Completed property, the EMI commencement date shall be the due date opted by the Borrower. In case the disbursement occurs on the due date, EMI payments will commence from the subsequent month. In all other cases, interest accrued up to the due date will be collected in the first month, and EMI payments will commence thereafter.
- c) If the loan is disbursed in instalments against under construction property, interest is payable monthly on the cumulatively disbursed amounts, from the date of each disbursement/cheque realisation until EMI commencement. The EMI start date shall be as opted by the Borrower.
- d) Alternatively, if the loan is disbursed in instalments, borrowers may opt to start paying EMI on the full sanctioned amount. In such cases, the EMI commencement date shall also be as opted by the Borrower.
- e) In case of part disbursement, the EMI will be recalculated for the balance tenure, post the PEMI period. Additionally, PEMI is payable for the broken period from the date of disbursement/cheque realisation till the due date opted by the borrower(s).
- f) EMI is payable through electronic modes such as E-NACH/NACH.
- g) **Penal charges @ 24% per annum are payable for any delay in payment of EMI/PEMI. It is calculated for the period for which the EMI / PEMI remains overdue.** Penal charges will apply during the period the account is delinquent/ from the date from which the account has become overdue till the date of payment.
- h) Cheque/NACH/ECS/Auto Debit dishonor charges of Rs.500/- + GST per instance upto 2 instances per month and Rs.1,000/- + GST per instance for more than 2 instances per month 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.

## **10. Appropriation of Payments:**

Any payment made for credit of the loan account of the borrower(s) 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) Penal Charges for delayed payments
- c) Other incidental Charges i.e. (Cheque/NACH/ECS/Auto Debit return charges, prepayment charges, etc)
- d) PEMI/EMI arrears
- e) PEMI/EMI current dues

SHFL reserves the right to change the order / proportion of appropriation for any remittance under intimation to the borrower(s)

## **11. Recovery of overdues:**

In the event of delay in payment of PEMI/EMI, borrower(s) 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 borrower(s) 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(s) 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.

Credit information relating to Borrower's account will be provided to the Credit Information Companies fortnightly. To avoid any adverse impact on the credit history with Credit Information Companies, borrower(s) are advised to ensure timely payment of the amount due on the loan amount.

**Signature of the Borrower**

**Signature of the Co-Borrower(s)**

## 12. 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, borrower(s) 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. Borrower(s) 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 borrower(s) 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) The loan outstanding /Settlement figure statement will be issued within 21 days from the date of receipt of applicable charges.
- e) On loan closure, the documents will be returned to the borrower and co-borrower upon request within 30 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.1,000/- + GST per month would be payable by the borrower in case the documents are not collected within 45 days from the date of closure.
- f) Release of Original Property documents and removal of the charge registered on the mortgaged property with any registry shall be completed within 30 days after full repayment/ settlement of the loan account. SHFL shall be responsible for this compliance and in case of a delay beyond 30 days, if attributable to SHFL, a penalty of Rs.5,000 per day of delay beyond 30 days shall become payable to the borrower.

## 13. Grievance Redressal:

In case of any grievance, borrower(s) 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](mailto:customercare@sundaramhome.in). The grievance shall be addressed within 30 working days. In case, the complainant is dissatisfied with the response or where no response is given, he/she may write / mail to

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

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. Borrower(s) may also visit our branch between 9.30 a.m. to 6.00 p.m. on all working days from Monday to Saturday for branches located in South India and for rest of branches between 10.00 a.m. to 6.30 p.m. for any clarification. Every 1<sup>st</sup> and 2<sup>nd</sup> Saturday will be a holiday and in case a month has five Saturdays, additionally, the 3<sup>rd</sup> Saturday will be a holiday.

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.

**Signature of the Borrower**

**Signature of the Co-Borrower(s)**

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 the Borrower**

**Signature of the Co-Borrower(s)**