

PERSONAL LOAN SCHEME FOR PENSIONERS

1. ELIGIBILITY

All type of pensioners drawing their pension through our branches. This includes family pensioners and ex-employees of our Bank.

NOTE:-

(i) At the time of processing of loan the borrower's place of residence should be at Chandigarh / Distt. Panchkula.

(ii) Those branches whose NPA of previous financial year exceeds to 5% p.a. subsequent sanction of loans by the branch will automatically stand withdrawn only till the NPA percentage improves to below 5% p.a.

2. PURPOSE

To meet personal needs including medical expenses.

3. LOAN AMOUNT

Maximum loan amount shall be Rs. 10,00,000/- (Rupees ten lakhs only) or amount equivalent to 15 times monthly pension whichever is lower.

4. NATURE OF LOAN :- Term loan / overdraft on monthly reducing drawing power (DP)

5. MARGIN :- Nil

6. RATE of INTEREST Fix option.

- Fixed rate of interest option will be subject to re-set clause of two years. There will, however, be no application of re-set clause for a repayment tenor upto two years. The re-set clause will be as under :-

“Interest rate shall be reviewed and re-set on completion of a block of two years. Year of first disbursement, whatever be the month of avilment, will be taken as first year and year will cover the period from 1st April to 31st March. As and from 1st April, after completion of every block of two years, the interest rate as re-set will be applied. If there is any delay in revision/re-set of interest, appropriate adjustment will be made in the account, effective from 1st April of the year. If the interest rate is not re-set, until it is reset, rate as prevailing before will be applied. If interest rate is not re-set in the year when it is due, it shall be open to the Bank to re-set the interest in any subsequent year and in such event, the interest rate as re-set, will be applicable from 1st April of the year in which it is re-set for the remaining years of block of two years. Only Bank has full discretion to fix/prescribe/revise/re-set the rate of interest”.

Accordingly, the rate of interest in the loan accounts sanctioned under fixed option shall be reset on 1st April every year, after completion of every block of two years, and rate shall continue to be fixed till next applicable reset date.

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

i) Pension account of prospective borrower with Harcobank:

CIBIL Score 800 and above	11.25% p.a.
CIBIL Score 700 and below 800	11.50% p.a.
CIBIL Score 600 and below 700	11.75% p.a.
CIBIL Score below 600	Not accepted
CIBIL Score (0 to – 1)	12% p.a.
CIBIL Score (1 to upto 5)	12% p.a.

Note: In case prospective borrower after taking loan from Harcobank shifts his/her Pension account to other Bank 2% extra rate of interest will be charged over and above the applicable rate of interest.

ii) Harcobank Staff;

CIBIL Score 800 and above	9.75% p.a.
CIBIL Score 700 and below 800	10 % p.a.
CIBIL Score 600 and below 700	10.25 % p.a.
CIBIL Score below 600	not accepted.
CIBIL Score (0 to – 1)	11.25% p.a.
CIBIL Score (1 to upto 5)	11.25% p.a.

7. PENAL INTEREST

After 15 days of default	3% p.a. on default amount over and above the normal rate of interest.
--------------------------	-----------------------------------------------------------------------

8. LATE PAYMENT CHARGES :-

- a) Late payment charges Rs. 250/- (Plus taxes if any) after 15 days of default
- b) Cheque bounce charges Rs.250/- (Plus taxes if any) per cheque.

(Also applicable to Harcobank staff)

9. PROCESSING FEES

- i) **Processing fee – PUBLIC :-** 0.50% of the loan amount (minimum Rs. 500/- plus taxes)
- ii) **Processing fee – HARCOBANK STAFF :-** NIL

Note: Obtain processing fee before disbursement of loan.

10. PRE-PAYMENT CHARGES :- NIL

11. **REPAYMENT PERIOD : 60 MONTHS OR UPTO THE AGE OF 70 YEARS WHICHEVER IS EARLIER.**

. Installment will commence one month after disbursement of loan. The sanctioning Authority to ensure that the EMIs of the borrower is commensurate with the repayment period allowed.

The installments will be deducted from his/her pension account with branch for which a letter of authority shall be obtained from the Pensioner(s).

12. **SECURITY**

Guarantee of spouse eligible for family pension to be obtained OR of any other family member of means OR a third party guarantee acceptable to the Bank.

13. **DISBURSEMENT**

The amount may be credited to Saving/Current Account of the pensioners.

14. **OTHER GUIDELINES**

- The loan can be availed more than once only after adjustment of earlier loan.
- The carry home pension (including deduction of proposed personal loan installment) of a pensioner under no circumstances should be less than 50% of his/her gross pension;
- As the personal loan granted under the scheme is clean in nature, utmost care should be exercised in sanction/conduct of the account, therefore, the concept of KYC norms be meticulously followed of the borrower as well as the guarantor (s);
- Affidavit of Rs. 5/- be obtained declaring that no further loan will be raised either from Harcobank or any other Bank under the same similar scheme till full repayment of personal loan (Pensioner) from Harcobank;
- While allowing finance under the scheme within the city, Incumbents Incharge may ensure that borrowers' residence is in close vicinity of the branch so that recovery aspect can be kept under proper control by the Branch.
- Recommending incumbents should invariably mention the date of visit at Borrower's residence in his recommendations and also mention the name of visiting Officer/official of the Branch.
- It has been decided to capture the Permanent Address of the borrower besides obtaining the present address.
- Atleast three post datedcheques will be obtained from each and every borrower.
- Sanction of loan will be sole discretion of the Bank;
- Loan should be disbursed within one month after sanction of loan;

- a. If the borrower is defaulter of upto Rs. 1000/- of Credit card in CIBIL Score, then the sanctioning power will be of one step higher rank;
- b. If the borrower is defaulter of above Rs. 1000/- of Credit Card in CIBIL Score loan request is not acceptable.
- Three months liability of other Bank loan can be waived while calculating the loan eligibility.

15. **DOCUMENTATION**

1. Loan application form **Annexure-II**
2. Letter of Authority **Annexure-III**
3. Letter of authority (in duplicate) to be taken in case of DPDO Pensioners the same be sent by registered post to the DPDO alongwith information in writing regarding disbursement of the loan to the concerned pensioner. Further, an affidavit may be obtained from the concerned pensioner that he/she shall not change his/her present disbursing branch/bank without bank's consent. – **Annexure - IV**
4. Term loan agreement (P.L. to Pensioners) -**Annexure-V**
5. Overdraft loan agreement (P.L. to Pensioners)-**Annexure -VI**
6. Guarantee deed **Annexure -VII**
7. Promissory Note (wherever is applicable)-**Annexure VIII**

THE HARYANA STATE COOPERATIVE APEX BANK LTD; CHANDIGARH

(REQUEST-CUM-SANCTION LETTER FOR PERSONAL LOAN TO PENSIONERS)

The Manager,
The Haryana State Coop. Apex Bank Ltd;
B.O. _____ Chandigarh/ Panchkula

Dear Sir,

Re: Advance under Personal Loan Scheme for Pensioners

I request you to grant me an advance / loan of ` _____
(` _____ only) for meeting my personal needs / medical
expenses. I am eligible for the loan applied for under the above Scheme for Pensioners. I
am drawing a monthly pension of ` _____
(` _____) having retired from
_____ in the year _____. The pension
is being credited in my SF / CA / OD A/c no. _____ maintained with your branch.
I agree to repay the said advance/loan of ` _____
(` _____) in _____ monthly installments
along with interest at the rate of _____ % p.a. (Fix). I also agree to pay interest tax if
any in force from time to time. The interest chargeable shall be subject to changes as
prescribed by Bank from time to time. In the event of my death or for any reason/s deemed
necessary, the Bank shall have the right to recall the loan outstanding immediately
irrespective of repayment period fixed. I also agree to execute all the documents prescribed
and to abide by all terms and conditions of the Scheme from time to time.

I authorize the Bank, that in the event of sanction of loan, to debit the amount of monthly
installment every month to my SF / CA / OD a/c no. _____ with the Bank in which my
pension is credited and credit it to the aforesaid Loan a/c until the loan is fully adjusted. The
authority given by me to the Bank is irrevocable unless and until the loan is repaid by me in
full.

I undertake and agree that I will not raise any further loan/advance from any other branch of
THE HARYANA STATE COOPERATIVE APEX BANK LTD; CHANDIGARH or any other
Bank / NBFC under the same or similar Scheme till full repayment of personal loan, without
consent of the Bank.

I hereby agree as a pre condition of the loan/advance given to me by the Bank that in case I
commit default in the repayment of loan/advance or in the repayment of interest thereon or
any of the agreed installments of the loan on due date(s), the Bank and/or the Reserve Bank
of India will have an unqualified right to disclose my name as defaulter in such manner and
through such medium as the Bank or Reserve Bank of India in their absolute discretion may
think fit. I understand that as a pre-condition, relating to grant of the loan/advance to me, the
Bank, requires my consent for the disclosure by the Bank of information and data relating to
me, the credit facilities availed of/to be availed, by me, obligations assumed/to be assumed,
by me, in relation thereto and default, if any, committed by me in discharge thereof.

Accordingly, I hereby agree and give consent for the disclosure by the Bank of all or
any such:

- Information and data relating to me.
- The information and data relating to any credit facility availed of/to be availed, by the borrower/s and
- Default, if any, committed by me in discharge of my obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Ltd. And any other agency authorized in this behalf by RBI.

I declare that the information and data furnished by me to the Bank are true and correct.

I undertake that :

The Credit Information Bureau (India) Ltd. and any other agency so authorized may use/process the said information and data disclosed by the Bank in the manner as deemed fit by them; and

The Credit Information (India) Ltd. and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to Banks/Financial Institutions and other Credit grantors or registered users, as may be specified by the Reserve Bank in this behalf.

Yours faithfully,

Place _____
Date _____.

SIGNATURE OF THE APPLICANT

Name: _____
PPO No. _____
Address _____

City _____ District _____
Pin Code _____
Permanent Address _____
City _____ District _____
Pin Code _____
Telephone (with STD Code) _____
Mobile No. _____

COMMENTS / RECOMMENATIONS OF APPRAISING OFFICER

(Signature & Name of Appraising Officer)

ORDERS OF THE SANCTIONING AUTHORITY

(Signature & Name of Sanctioning Authority)