



## SAHARA HOUSINGFINA CORPORATION LIMITED

### REVIEW OF THE CREDIT POLICY FORMING A PART OF THE OPERATIONAL MANUAL BY WAY OF FRESH INSERTION TO BE EFFECTIVE ON AND FROM 1<sup>st</sup> APRIL, 2021 ONWARDS

#### Policy Paper on "Purchase of Plot" and for Composite Purpose of "Purchase of Plot alongwith Compulsory Construction of a Residential / Dwelling Unit Therein"

#### The Preamble

The Company in order to remain competitive in the industry and in line with the general market practice and growing demand in respect of loan for plot "with/without" construction of residential/dwelling unit therein, have accordingly formulated a loan scheme that is primarily targeted to cater to the demand of prospective customers seeking such loans. It is pertinent to mention that in its objective to offer the desirous customers a flexible and attractive loan scheme, the Company has in no way diluted from its responsibility as a regulated entity and has always borne in mind to fully and comprehensively comply with the regulatory preconditions that prevail in case of such loan scheme. The details of the Policy are given hereunder:

#### 1. Type of Property

Following are the types of Loan for Plot (piece of parcel of land) offered:

- i) Purchase of a Plot from **Government Bodies / Development Authorities/ Approved Layout of Other Statutory Bodies duly recognized by the regulator. No Loan shall be offered on Plot/s purchased from Private Bodies/Builders.**
- ii) Composite Loan Scheme towards Purchase of a Plot and Construction of a residential/dwelling unit therein. The Composite Loan Scheme (i.e. Land and Construction) shall be offered on plots purchased from Government Bodies / Development Authorities/ Approved Layout of Other Statutory Bodies as well as Private Bodies/Builders, whose project, land, layout etc. have the approval of and/or are in compliance to the norms of the local government body/ies.

#### *Note:*

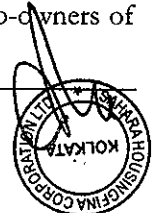
- a) *The plot must be Non-Agricultural Land or Land-use already converted from Non-Agriculture to Residential under the statute of the Local State Laws/ Government Authority (i.e. the land shall be absolutely fit for purpose of residential/ dwelling unit) situated within Municipal/Local Development Authority limits;*
- b) *Loans shall be granted under Composite Loan Scheme (1(ii) above) only if the Applicant/s intend to complete the construction maximum within 3 (three) years from date of purchase of the plot and only upon submission of a declaration in this respect;*
- c) *Loan under Scheme 1(i) above shall be deemed as Non-Housing Loan whereas Loans under 1(ii) shall be classified as Housing Loan;*

#### 2. Location of the Property

- i) The identified/selected plot must be located within the defined geographical limit of the SHCL branch office (present and future);
- ii) The identified/selected plot must also be situated within Municipal/Local Development Authority limits;

#### 3. Type of Borrower

Salaried Individuals, Self Employed Professionals, Self Employed Non-Professionals. All Co-owners of the land/property must compulsorily join the loan as Co-applicants.





## SAHARA HOUSINGFINA CORPORATION LIMITED

### 4. Applicant and Co-Applicant

The loan must be applied jointly i.e. Applicant (Borrower) and Co-Applicant/s (Co-Borrower/s). The first/primary applicant (Primary Borrower) must be the owner or one of the owners of the plot. Further, all Co-owners of the plot must compulsorily be Co-Applicants. Co-Applicants should be immediate family members like Spouse, Parents or Children.

### 5. KYC Documents

Self Attested KYC documents (to be verified with original) are to be obtained strictly as per the regulatory guidelines that prevail from time to time. KYC documents to be obtained afresh during any change that may be observed / notified. In case of no change, KYC to be updated at-least once every two years.

### 6. Income Documents

- Salaried Applicant/s: Last 3 months Salary Slip and/or Salary Certificate and ITR (last 3 years);
  - Non-Salaried Applicant/s: Last 3 (three) years P & L Account, Balance Sheet and ITR;
- (Note: All co-related documents necessary for the purpose of credit assessment like bank statements, credit card statements, statement of other loans (if any) etc. to be obtained separately)

### 7. Eligible Age Limit for Application of Loan

Class of Applicant	Minimum Age	Maximum Age
Salaried	21 years	60 years (at the time of anticipated closure of loan, assessed in Amortization Schedule during the stage of sanction)
Self-Employed	21 years	65 years (at the time of anticipated closure of loan, assessed in Amortization Schedule during the stage of sanction)

### 8. Eligibility

Depends on the FOIR & INSR computed as per laid Company guidelines.

### 9. Processing & Administrative Fees

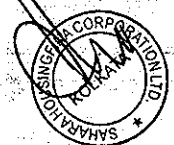
- Processing Fees @ 0.50% of the Loan Amount (plus applicable GST);
  - Administrative Fees @ 0.50% of the Loan Amount (plus applicable GST).
- (Note: Refund of Fee, if any, shall be strictly as per the approved Policy on Foreclosure/Prepayment of the Company)

### 10. Rate of Interest (floating/variable/adjustable rate of interest only)

- For Purchase of Plot: 10.00% – 11.00% p.a. (on monthly rest) and
- Under Composite Loan Scheme i.e. purchase of plot along-with construction of residential/dwelling Unit: 9.50% – 10.00% p.a. (on monthly rest)

(Note: ROI to be increased by 2% p.a. of the contracted rate of interest (subject to maximum of 11.50% p.a.), if construction of residential / dwelling unit is not completed within 36 months of purchase of the plot. Such loans which have not complied to their declaration within the stipulated timeline of 36 months shall be thereafter be reclassified as "Non-Housing Loan". Further Rate of Interest is dependent on Age, Educational background, Stability and Continuity of Income, Number of dependents in the family, Co-Applicant's Income, Assets, Liabilities, Saving Habits and other crucial credit parameters.)

Reviewed & Approved by the Board of Directors in their Meeting held on 11<sup>th</sup> February 2021





## SAHARA HOUSINGFINA CORPORATION LIMITED

### 11. Loan to Value (LTV) Ratio

- i) Plot of Land from **Government Bodies / Development Authorities / Approved Layout of Other Statutory Bodies: Maximum 70%** of the Agreement Value (AV) or Market Value (MV) of the plot (whichever is lower). Market Value of the plot shall be as decided by the Technical Valuer appointed by SHCL and the value so ascertained shall be binding on the applicants.

*(Note: Plot Loan shall not be granted for Plot purchased from/allotted by Private Entity/ies.)*

### ii) Loan under the Composite Loan Scheme (Land plus Construction)

- a) Plot of Land from **Government Bodies / Development Authorities / Approved Layout of Other Statutory Bodies: Maximum 70%** of the Agreement Value (AV) or Market Value (MV) of the plot (whichever is lower). Market Value of the plot shall be as decided by the Technical Valuer appointed by SHCL and the value so ascertained shall be binding on the applicants. For the purpose of construction of residential / dwelling unit: **Maximum 80%** of the estimated cost of construction arrived by the Technical Valuer appointed by the Company.
- b) Plot of Land from **Private Bodies / Builders: Maximum 65%** of the Agreement Value (AV) or Market Value (MV) of the plot (whichever is lower). Market Value shall be the value decided by the Technical Valuer appointed by SHCL and the value so ascertained shall be binding on the applicants. For the purpose of construction of residential / dwelling unit: **Maximum 80%** of the estimated cost of construction arrived by the Technical Valuer appointed by the Company.

### 12. Tenure of Loan

- i) Minimum: 05 years &  
ii) Maximum: 15 years.

### 13. Amount of Loan

Rs. 5 Lakh to Rs. 150 Lakh (Under Plot and for Composite Loan Scheme)

### 14. Purpose of Loan

- i) Purchase of Land/Plot (exclusively allotted by/purchased from Government Bodies / Development Authorities / Approved Layout of Other Statutory Bodies);
- ii) Under Composite Loan Scheme: Purchase of Land/Plot for the purpose of construction of residential / dwelling unit that shall be compulsorily completed latest within 36 months from the date of purchase of the plot.

*(Note: In case of 14(ii), the loan shall convert to Non-Housing Loan by simple letter if construction not completed within 36 months from the date of purchase of plot and accordingly in addition to the upward revision in rate of interest, NO Income Tax benefit certificate will be issued.)*

### 15. Monitoring of Loan

In case of loan under Composite Loan Scheme (land plus construction), the progress of construction/status to be monitored at least once in every six months of first disbursement. Further, "Reminder Letter" seeking commencement of construction to be issued in every case wherein construction has not been started after lapse of 12 months of the date of purchase of plot.

*Reviewed & Approved by the Board of Directors in their Meeting held on 11<sup>th</sup> February 2021*





## SAHARA HOUSINGFINA CORPORATION LIMITED

### 16. Repayment of Loan

Repayment of loan has to be compulsorily through authorized electronic transfer (NACH) on Equated Monthly Instalment (EMI) basis.

In case of "Plot Loan" (1(i) above), EMI will commence in the subsequent month of full & final disbursement of the loan amount sanctioned for purchase of the plot.

In case of Composite Loan Scheme, the sanction will be given in two parts, first, for purchase of plot and the second, for construction thereon.

EMI on the amount disbursed for the purpose of purchase of plot will commence in the subsequent month of full & final disbursement of the loan amount sanctioned for purchase of the plot, whereas EMI on the loan amount sanctioned for construction shall begin upon full & final disbursement related to construction. Further, disbursement/s in respect of construction will depend on the stage of construction and must comply to laid internal norms and technical evaluation.

In order to enhance security cover, the process of "one number of Advance EMI" will be followed. The date of payment of instalment shall be the last date of every month.

### 17. Prepayment of Loan

Pre-payment of the loan is possible at any time after 6 (six) months from the date of final disbursement of the loan. Foreclosure/Prepayment charges (if any) shall be strictly in abidance to regulatory guidelines.

### 18. Prepayment Amount

Minimum amount for prepayment is Rs.50000/- in each installments. No restriction in number of installments repaid as prepayment.

### 19. Prepayment Charges

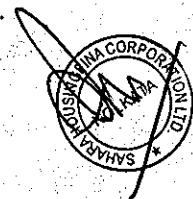
Prepayment charges to be strictly in line with regulatory guidelines that are duly incorporated in the Policy of the Company from time to time.

### 20. Value Added Services

- i) Subsidised Insurance Policy cover against accidental death and permanent disability to the borrower by payment of minimum premium.
- ii) Subsidised Group Fire Insurance Policy by payment of minimum premium.

### 21. Primary Security

- i) Land in respect of loan granted under Scheme 1(i);
- ii) Land along-with the structure (i.e. residential/dwelling unit) constructed thereon.





## SAHARA HOUSINGFINA CORPORATION LIMITED

### 22. Time Frame for Construction

The construction must be completed latest with 36 months period from the date of purchase of the plot. An declaration confirming strict abidance to the said condition is to be compulsorily obtained from the Borrower/s (as per the SHCL format) prior to disbursement.

### 23. Other Collateral Security

In case of applicants employed with private institution with monthly salary of upto Rs.25,000/-, it is mandatory to accept additional collateral security.

### 24. Guarantor

Guarantor from the property location is must if residence/office outside geo-limit. In case of employee of private institution with monthly salary of upto Rs.25,000/-, guarantors required. A suitable Guarantor acceptable to the Company is mandatory in case the Loan Amount/Sanction Amount is above Rs.30 lakhs.

### 25. Waiver

“NO waiver/relaxation” shall be granted in LTV/FOIR (whatsoever). NO waiver/relaxation shall be entertained in respect of conditions/limit set for repayment of loan, for obtaining collateral security and guarantor (wherever applicable). Further, “NO waiver” shall be granted in respect of the timeline decided for completion of construction of the residential/ dwelling unit i.e. latest within 36 months from the date of purchase of the plot.

### 26. Credit Information

A “clean” and acceptable credit score (as defined by SHCL) from any of the accredited Credit Information Company/ies is compulsory and a pre-requisite for sanction/disbursement.

### 27. SHCL Discretion

Loan sanctioned shall be at the sole discretion of SHCL and all the terms and conditions stated above as well as the ones set in the Sanction Letter, Loan Agreement and Declaration/Affidavit/Undertakings etc. are binding upon the Borrower/s and their heirs/inheritors/successors.

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