

SBP- HOME LOANS
Most Important Terms and Conditions

The MITC covers the following loan products

1. SBP-Home Loan
2. SBP-Max-Gain overdraft Home Loan
3. SBP-Realty Home Loan
4. SBP-NRI Home Loan
5. SBP-Greh Kaya Kalap Loan
6. SBP-Total Home Loan
7. SBP-Gram Niwas

1. Purpose:

Home Loan can be availed for the purpose of purchase/construction/extension/repairs/renovation of new/existing residential house/flat/plot of land/purchase of consumer durables/furnishings / Takeover of Home Loans from other Banks/HFCs/FIs and Re-imburement of investment made from own resources during the preceding twelve months for purchase/construction/repairs/extension of house.

2. Premium of Home Loan Insurance cover (optional): The premium for Home Loan life insurance cover (if availed) is also financed and added to the loan availed.

3. Loan to value ratio (LTV):

Category of Loan	Maximum LTV Ratio (%)
Up to Rs.30 lakh	90%
Above Rs.30 lakh and up to Rs.75 lakh	80%
Above Rs.75 lakh	75%

4. Rate of Interest:

Floating rate of interest:

Interest on the loan will be charged at prevailing floating rate of interest on a daily reducing balance at monthly rests. The rate of interest is subject to revision from time to time due to (i) changes in Base Rate or (ii) revision even without change in Base Rate. The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

OR

Fixed rate of interest :- (Presently, No House Loan is financed on fixed rate of interest)

Interest on the loan will be charged at the prevailing fixed rate of interest on daily reducing balance at monthly rests, subject to interest rate reset at the end of every two years on the basis of fixed interest rates prevailing at that time. Further, the Bank may at its sole discretion may alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of agreement. Henceforth the rate of interest varying as aforesaid shall be applicable to the loan. The Bank shall be the sole judge to determine whether such conditions exist or not. If the borrower is not agreeable

to the revised interest rate so fixed, the borrower can request the bank within 15 days of receipt of the notice intimating change in interest rate from bank, to terminate the loan and the borrower shall repay the loan and any other amount due to the bank in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.

Calculation of interest

Interest on the amount of the loan will be applied at the prevailing rate per annum on daily reducing balance with monthly rests.

Intimation of change in Interest Rate:-

The borrower shall be deemed to have notice of changes in the rate of interest whenever there are changes in Base Rate or increase in interest rates where there is no change in Base Rate when such changes are either displayed on the Notice Board of the Branch or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished to the borrower and the borrower shall be liable to pay such revised rate of interest.

Penal Interest

In the event of a default in payment or any irregularity in the account, the Bank reserves the right to levy a higher rate of interest as it deems fit. Enhanced rate of interest @2% p.a. on the irregular amount for the period of irregularity, over and above the applicable rate will be charged if the Equated Monthly Installment (EMI) remains unpaid for a period of 30 days from the due date, for any reason, including a bounced cheque.

Bounced cheque/ECs or Standing instructions dishonours: A penalty of Rs.285/- will be charged for every bounced cheque and if ECs or SI dishonours Rs.229/-will be charged. The rate may vary from time to time.

5. Repayment

The loan is to be repaid in Equated Monthly Installment over the tenure of the loan. The repayment installment commences from a date specified in the sanction letter / letter of arrangement. The liability to the bank will be extinguished only when the outstanding in the loan account becomes Nil, on payment of residual amount, if any.

6. Loan Tenor:

Maximum 30 years (or) up to the age of 70 years (the age by which the loan should be fully repaid) of the borrower, whichever is early.

Pre-closure Charges: - Loans on fixed and floating rate of interest: - No pre-payment / pre-closure charges will be levied on Home Loans irrespective of the period for which the account has run or source of funds. However in cases, where Home loans are pre-closed before three years, processing charges, if any, waived/charged at concessional rate at the time of sanction/disbursement shall be recovered in full.

7. Security:

Primary

The loan will be secured by Equitable / Registered mortgage/extension of mortgage of the land and building/flat for which the loan is to be sanctioned.

Collateral

If mortgage of the property being financed is not possible, Bank may accept, at its

discretion, security of adequate value in the form of Life Insurance policies, Government Promissory Notes, shares/debentures, gold ornaments or such other tangible security as may be deemed appropriate.

Interim Security Pending Mortgage;-

Wherever creation of mortgage is likely to be delayed for any valid reason, suitable security including third party guarantee, as considered necessary, may be taken for the interim period.

8. Utilization of the loan:

The amount of the loan shall be utilized strictly for the purpose detailed in the borrower's application and in the manner prescribed. The construction of the house/flat or the modification/extension proposed by the borrower in the existing house/flat should be strictly according to the plan approved by the Local Authorities/Town Planning and Development authorities. Any modification desired in the plan as originally approved, can be undertaken only after express sanction therefore has been obtained from the appropriate authority.

9. Insurance:

The house/flat shall be insured comprehensively for the market value covering fire, flood, Earthquake etc. in the joint names of the Bank and the borrower. Cost of the same shall be borne by the borrower.

10. Inspection:-

The Bank will have the right to inspect, at all reasonable times, the borrower's property by an officer of the Bank or a qualified auditor or a technical expert as decided by the Bank and the cost thereof shall be borne by the Borrower.

11. Fee and Charges:

1. Processing fee: is to be charged upfront at rates laid down by the Bank from time to time. Entire processing fee would be refunded if application is not found acceptable on initial scrutiny itself. However, 75% of the processing fees will be reimbursed, if the loan application is rejected on account of unsatisfactory pre-sanction survey report or on account of unsatisfactory legal / valuation report. But, no refund of processing fee is permissible in case of sanction /rejection by sanctioning authority after complete loan processing.

Loan Amount	Processing Fees
Upto Rs. 25.00 Lacs	0.25% of loan amt. Min. Rs.1000/-
Above Rs. 25.00 lacs upto Rs. 75 lac	Rs. 6500/-
Above Rs. 75.00 lacs	Rs. 10000/-

2. Other Fee/Charges:

Other charges like payment to empanelled Advocate/Valuer for Legal opinion & Search Report, Valuation Fee,

Any type of Govt duty/charges like Stamp Duty (% of project cost) Registration Charges (% of project cost) and any other fee can be ascertained from the near by branch.

The Bank 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, with due intimation to customer. Fees and Charges are subject to change from time to time at the sole discretion of the Bank.

12. Disbursement:

The loan will be disbursed only on the following conditions:

1. All the security documents prescribed have been executed by borrower/co applicant (s)/guarantor/s
2. A valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank as per the laws of the State. The property must be clear, absolute unencumbered and marketable to the satisfaction of the Bank.
3. Wherever creation of mortgage is likely to be delayed for any valid reason, suitable security including third party guarantee, has been taken for the interim period.
4. The loan will be disbursed in stages where a loan for construction is desired or purchase is through payment in installments.
5. All necessary statutory compliances are in place. The Bank may disburse the quantum of loan in lump sum or in installments at its own discretion depending on the level of construction of the House/Flat as acceptable Bank.

The Bank will disburse loan amount directly to the builder/seller/society as the case may be and as requested /specified/directed by the borrower to bank at the time of each disbursement. The Bank shall not be responsible / liable in any manner whatsoever for any delay by the borrower in providing such request/specification/direction to Bank and the borrower shall not claim any costs, charges and expenses in any relation to any non-disbursal due to any such delay by the customer. The Bank reserves the right to collect any tax if levied by the State/Central Government and /or other Authorities in respect of this transaction.

13. Default:

In the event of default i.e. if the amount due is not paid by due date, the customer will be sent reminder from time to time for payment of any outstanding on his loan account, by post, fax, telephone, email, SMS messaging and / or through third parties appointed for collection purpose to remind, follow-up and collect dues. Any third party so appointed, shall adhere to the Indian Bank Association's (IBA) code of conduct on debt collection.

14. Customer Service:

For any service related issue, customer can get in touch with SBP by:

- Calling Customer Help Line Numbers -1800-180-2010
- Sending SMS 'HOME' on 9779933333
- Contact Customer Grievance Cell at our Head Office
- Write to Grievance Cell at our Head Office

(Details on Help line Numbers and Grievance Cell available on www.sbp.co.in)

Disclosure:-

State Bank of Patiala is authorized to disclose from time to time any information relating to the loan to any credit bureau (existing or future) approved by Government of India and Reserve Bank of India without any notice to the borrower. State Bank of Patiala is also authorized to make inquiries with the Credit Information Bureau of India (CIBIL) or any such agency and get the applicants Credit Information Report.