

NHB (ND)/DRS/ Pol-No. 54/2012-13
April 5, 2013



All Registered Housing Finance Companies (HFCs)

Dear Sirs,

MOST IMPORTANT TERMS AND CONDITIONS

To facilitate quick and good understanding of the major terms and conditions of housing loan agreed upon between a Housing Finance Company(HFC) and the individual borrower, it has been decided that HFCs shall henceforth obtain a document containing the most important terms and conditions of such loan in all cases. A suggestive format of such document is annexed (Annexure A).

This document will be in addition to the existing loan and security documents being obtained by the HFCs. HFCs are advised to prepare the said document in duplicate and in the language understandable by the borrower. Duplicate copy duly executed between the HFC and the borrower should be handed over to the borrower under acknowledgement.

Please acknowledge receipt and ensure compliance.

Yours faithfully,

(V. Rajan)
Deputy General Manager
Department of Regulation and Supervision

Annex. Annexure A.

MOST IMPORTANT TERMS AND CONDITIONS (MITC)
(for individual Housing Loan)

Major Terms and Conditions of the housing loan agreed to between.....(the borrower) and the(Name of the housing finance company) are as under:

1. Loan

- Loan Amount (mention the total amount of the loan sanctioned to the borrower)
- Purpose of Loan (mention the purpose for which the loan is sanctioned)
- Rate of Interest (mention complete details about the rate of interest applicable to the loan)
- Tenure (mention the tenure of the loan)

2. Fee and Other Charges

(Mention briefly about all charges viz., pre-payment charges, conversion charges, cheque bouncing charges, document retrieval charges, late EMI payment charges, statement charges etc. applicable after disbursement of the loan and till its closure)

3. Security for the Loan

- Mortgage (mention detail of the property to be mortgaged as security for the loan)
- Guarantee (mention the name of the Guarantors).
- Other Security (mention the details of other securities, if any).

4. Insurance of the Property/ Borrowers

(mention the detail of the requirements and features of the insurance policy to be obtained for the property/borrowers).

5. Conditions for Disbursement of the Loan

(mention conditions for disbursements of the loan or any installment thereof viz., creation of security, submission of approved plans, stages of construction, statutory approvals etc.)

6. Repayment of the Loan & Interest

(mention the amount of EMI and the total number of installments where the loan is repayable in equated monthly installments or other details for payment of principal amount of loan and interest including due date/s. Also mention procedure for advance intimation of the changes in the rate of interest/EMI).



7. Brief procedure to be followed for Recovery of overdues

(mention briefly the notice etc. to be given to the borrower for recovery of overdues before proceeding under the applicable law).

8. Customer Services

(mention in brief about the followings:

- a) Visiting hours at the office.
- b) Details of the person to be contacted for customer service.
- c) Procedure to obtain the following including time line therefore:
 - (i) loan account statement.
 - (ii) photocopy of the title documents
 - (iii) return of original documents on closure/transfer of the loan)

9. Grievance Redressal

(mention the procedure (e-mail id and other contact details at which the complaints can be lodged, turnaround time for resolving the issue, matrix for escalation, etc.) for lodging the complaints by the aggrieved borrower. Further, HFC should also mention that in case the complainant is dissatisfied with the response received/ or where no response is received, the complainant may approach the Complaint Redressal Cell, Department of Regulation & Supervision, National Housing Bank, 4th Floor, Core 5A, India Habitat Centre, Lodhi Road, New Delhi - 110 003 or email at rcell@nhb.org.in).

It is hereby agreed that for detail terms and conditions of the Loan, the parties hereto shall refer to and rely upon the loan and other security documents executed/to be executed by them.

The above terms and conditions have been read by the borrower/s / read over to the borrower by Shri/Smt. /Km. _____ of the Company and have been understood by the borrower/s.

(Signature or thumb impression
of the Borrower/s)

(Signature of the authorized
person of Lender)

Note: Duplicate copy of the MITC should be handed-over to the borrower/s.

