

Module 1

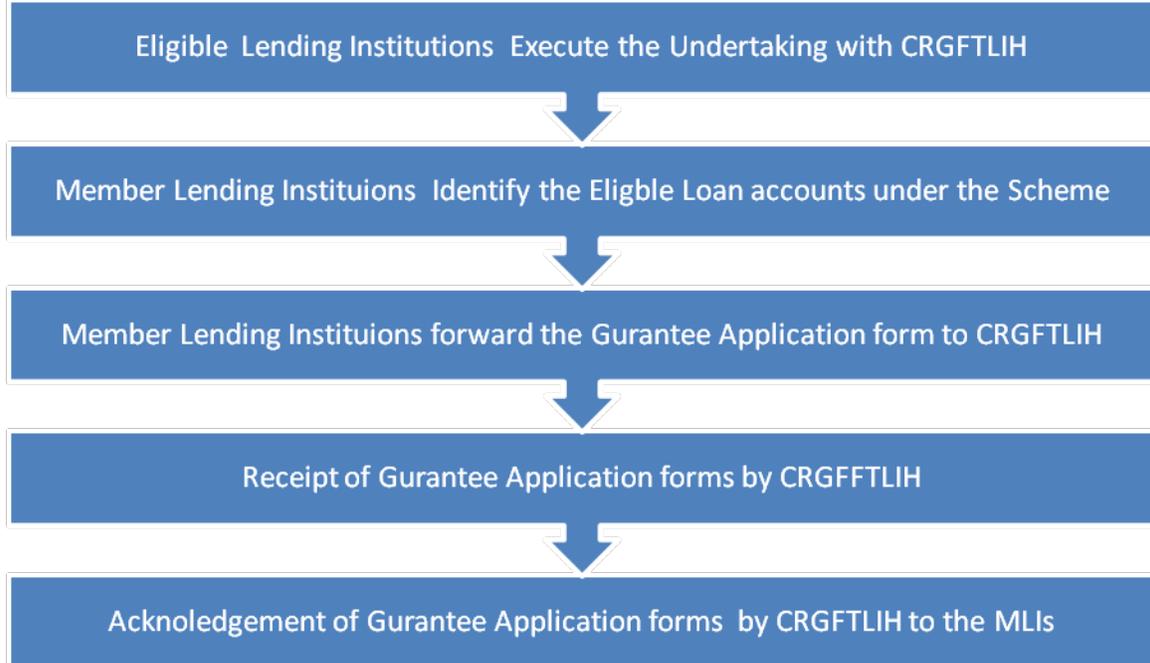
GUIDELINES FOR LENDING INSTITUTIONS FROM SIGNING OF AGREEMENT TO SUBMISSION OF GURANTEE APPLICATION FORMS TO CRGFTLIH.

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Introduction

The aim of this module is to give a comprehensive idea to the Officials of the Member lending institutions about the procedures involved starting with the signing of Undertaking with Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) (hereinafter referred to as 'TRUST'), to sending of Guarantee Application forms to CRGFTLIH.

Process Flow



Execution of Undertaking by Lending Institutions with CRGFTLIH

Lending Institutions desirous of availing the Credit Risk Guarantee Cover from Credit Risk Guarantee Fund Scheme for Low Income Housing (CRGFSLIH) has to execute an undertaking with the Trust in a specified format. The format is enclosed as Annexure I.

Important Points relating to preparation and execution of the Undertaking

- 1) The Undertaking is to be stamped as per the stamp duty applicable at the place of its execution.
- 2) The Undertaking should not be altered/modified unless specifically permitted and agreed to by the Trust in writing.
- 3) The Undertaking should be accompanied by a certified copy of the Board resolution of the Lending Institution for execution of the Undertaking and authorizing enrollment of the lending institutions into the Scheme. The resolution should clearly specify the name & designation of the official thereby authorized to execute the Undertaking with the Trust.
- 4) The Undertaking should be affixed the seals of the lending institutions in the appropriate places by the authorized official/signatories.
- 5) A duplicate of the Undertaking may be prepared for obtaining the acknowledgement of the CRGFTLIH.

Appointment of Nodal Officers for the Scheme by Lending Institutions.

In order to ensure smooth implementation of the Scheme, lending institutions are required to designate a Nodal Officer for the Scheme. The nodal officer so identified may be of senior management level officer in the Head Office of the lending institution. The name and designation of the nodal officer identified may be intimated to the CEO, CRGFTLIH.

The Trust be updated by the lending institutions regarding any change in Nodal officer of the Scheme on account of transfer or otherwise.

Filling up the Guarantee Application form and the Annexure

Filling up of the application form and the annexure is very important from the view point of the acceptance of the application by the Trust and at the time of invocation of Guarantee. Hence utmost care is to be exercised by the lending institutions while filling the GAF and its annexure. The format of Guarantee Application form and its annexure are given as Annexure II and Annexure III

Important points relating to Filling up of the Application and annexure

- 1) The Guarantee Application Form is to be completely filled in leaving no column/information blank.
- 2) The lending institutions have to satisfy themselves about the eligibility of the loans for coverage under the Scheme.
- 3) Only those Loans fulfilling the eligibility criteria as defined in the CRGFS is eligible for credit risk coverage by CRGFTLIH.
- 4) The Guarantee Application form has to be serially numbered while forwarding to CRGFTLIH. The numbering should flow continuously without any break.
- 5) The Guarantee Application is to be signed by the authorized official of the Lending Institution designated for the purpose (Nodal Officer).
- 6) The Guarantee Application form has to be accompanied by the Annexure which has the precise details of the individual loans to be covered under the Scheme.
- 7) The annexure forms part and parcel of the application form.
- 8) The Column 1 of the annexure will be filled by the Trust at the time of acceptance of the Guarantee.

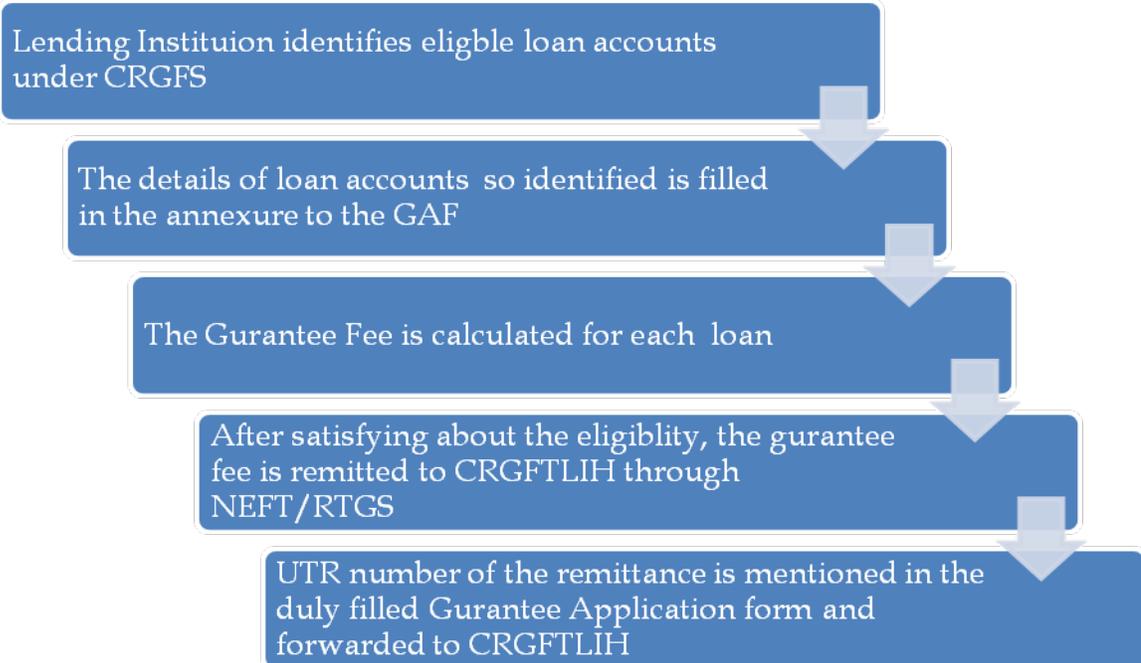
Forwarding of application forms and remittance of Guarantee Fee to CRGFTLIH.

Hard copies of the Applications that have been properly filled by the lending institutions have to be forwarded to the CRGFTLIH. Important related guidelines are given below.

- 1) The guarantee fee for the entire loan accounts covered under a particular set of Guarantee Application Form has to be remitted electronically (NEFT/RTGS) to the Trust's account prior to sending of the application to CRGFTLIH.
- 2) After remitting the guarantee fee to CRGFTLIH, the UTR number for the remittance has to be mentioned in the application form in the space provided for the purpose.
- 3) The account details of the Trust will be communicated to the lending institutions upon execution of the Undertaking with the CRGFTLIH.
- 4) The payment of guarantee fee has to be remitted by Head Office only.
- 5) The Guarantee Application form has to be forwarded to CRGFTLIH at New Delhi to the following address.

The Chief Executive Officer,
Credit Risk Guarantee Fund Trust for Low Income Housing,
C/o National Housing Bank,
Core 5A, 3rd Floor, India Habitat Centre,
Lodhi Road,
New Delhi-110003.

Process Flow involved in Filling up of the GAF/Annexure



Receipt of GAF by CRGFTLIH

Upon receipt of the GAF, Annexure and the Guarantee Fee, the Trust will duly scrutinize the applications. The lending institutions are required to furnish any other information in connection with the guarantee application if desired by the Trust. Upon acceptance of the application, an acknowledgement letter will be forwarded to the lending institutions by the Trust.