



# Home Loan Credit Policy

INDIA HOME LOAN LIMITED

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**Product Norms:**

- **Purchase of a new house/flat, ☐ Purchase of resale house/flat,**
- **Extend/Renovate/Repair of a house or flat already owned by self,**
- **Take-over of existing housing loan (Balance Transfer),**
- **Loan takeover with additional finance (Balance Transfer with Additional Finance), ☐**  
**Construction of a house on plot of land already owned (Self Construction).**

**Notes:**

**The residual age of the property as confirmed by our empaneled valuers should be at least sanction tenure plus 5 years.**

### Common Underwriting Norms:

	Salaried	Self Employed (Professional & Non-Professional)
<b>Age</b>	<ul style="list-style-type: none"> <li>☐ <b>Minimum Age:</b> <ul style="list-style-type: none"> <li>- Age of income contributing applicant/co-applicant/s &gt; 21 years,</li> <li>- for other non-financial co-applicant/s age of &gt;18 years.</li> </ul> </li> <li>☐ <b>Maximum Age:</b> <ul style="list-style-type: none"> <li>- 60 years or Retirement age whichever is lower (65 years in cases where pension income is considered for eligibility computation)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☐ <b>Minimum Age:</b> <ul style="list-style-type: none"> <li>- Age of income contributing applicant/co-applicant/s &gt; 21 years,</li> <li>- for other non-financial co-applicant/s age of &gt;18 years</li> </ul> </li> <li>☐ <b>Maximum Age:</b> <ul style="list-style-type: none"> <li>- (Whose income is being considered for loan eligibility) not more than 65 years of age at the time of maturity of the loan (70 years with deviation)</li> </ul> </li> </ul>
<b>Experience</b>	<ul style="list-style-type: none"> <li>☐ <b>Government Service:</b> <ul style="list-style-type: none"> <li>- Minimum 2 years service experience criteria <i>[Contractual/Temporary Government employees are not considered.]</i></li> </ul> </li> <li>☐ <b>Non-Government Service:</b> <ul style="list-style-type: none"> <li>- For confirmed employee: 1 year</li> <li>- For employee with less than 1 year of service or under probation: Total experience at least 3 years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☐ <b>SEP:</b> <ul style="list-style-type: none"> <li>- They must have been in the same business/profession as related to their qualification for at least 3 years.</li> </ul> </li> <li>☐ <b>SENP:</b> <ul style="list-style-type: none"> <li>- They must have been in the same line of business/profession continuously for at least 3 years</li> </ul> </li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>☐ <b>Minimum Rs. 15000/- per month</b></li> </ul>	<ul style="list-style-type: none"> <li>☐ <b>Minimum net profit Rs. 2.40 Lacs per annum.</b> [Average of last two years' net profit.]</li> <li><b>Note:</b> If the increase in net profit of latest year exceeds 50% of the net profit of last year, the increase in net profit is capped at 50% of the net profit of the last year.</li> </ul>
<b>Cibil Norms</b>	<ul style="list-style-type: none"> <li>• Cibil Score -1 (No Hit will be Accepted) (APPROVED BY CREDIT MANAGER)</li> <li>• Cibil Score &gt;650</li> <li>• Issues reflected in CIBIL Report Resolved ( CIBIL deviation can be done for a) less than 650 or ) negative CIBIL)</li> </ul>	
<b>PD NORMS</b>	<ul style="list-style-type: none"> <li>☐ <b>All cases personal discussion mandatory</b> Income assessment done through Telephonic &amp; Physical visit on PD sheet or Interview sheet has to be signed &amp; accepted off by Credit officer or credit manager.</li> </ul>	

OCR/Margin Money	<p>Own contribution of the applicants has to be invested upfront before loan disbursement. Customer's own contribution has to be made in the form of cheque and clearance of the same to be reflected in the Bank statement before loan disbursement. Original statement / passbook reflecting OCR to be checked by credit staff/ outsourced credit Staff and no outsourced verification to be done.</p> <p>Cash OCR:</p> <ul style="list-style-type: none"> <li>• Cash OCR will not be allowed in NRI cases.</li> <li>• Suspicious transaction irrespective of amount to be reported to respective Department ☐ In other cases not more than 20% Cash in OCR will be allowed.</li> </ul> <p>Further following compliance has to be ensured for payment of cash OCR.</p> <ul style="list-style-type: none"> <li>• Payment of cash OCR has to be reflected in registered sale deed/ Registered agreement to sale, wherever applicable,</li> <li>• Payment receipt to be collected as a proof of payment, ☐ Source of income of such cash OCR to be documented.</li> </ul> <p>Strictly to be followed: (More than Rs. 10 lacs cases only)</p> <ul style="list-style-type: none"> <li>- 15% Cash OCR in Resale deed can be approved by Credit Head or General Manager,</li> <li>- 10% Cash OCR in approved project cases can be approved by Credit head.</li> </ul>
Technical Valuation	<p>Irrespective of Loan Eligibility method and product:</p> <ul style="list-style-type: none"> <li>- Single technical report is required for loan amount up-to Rs.25 Lacs.</li> <li>- Above Rs. &gt;25 Lacs Loan amount, dual Technical report is required. Lower of two to be considered for loan eligibility calculation.</li> <li>- Under under-construction case the stage of completion will be verified from the technical report.</li> </ul>
Cheque Bouncing Norms	<p>☐ Salaried profile one inward return in last six-month banking. ☐ SEP/SEMP two inward return in last one-year banking.</p>
NRI Case Norms	<p>NRI cases will not be considered for loans. However if son is a NRI and parents/spouse are Indian resident then such cases can be considered.</p>
Seller KYC & Payee Norms	<ul style="list-style-type: none"> <li>• KYC documents of seller mandatory for all disbursal cases (Pan Card &amp; Aadhaar Card)</li> <li>• KYC of Seller to be documented with OSV as per norms</li> <li>• KYC norms of borrowers will apply for developer company (in whose name payment favoring to be made) as one-time exercise while making the APF file</li> <li>• KYC norms of borrowers will also apply to Seller/s in all Purchase transactions other than allotment/ purchase from APF builder/ Development Authorities</li> <li>• Seller bank account cancel cheque</li> <li>• Seller Banking details and transaction reflecting borrower's OCR should be verified</li> <li>• The same account will be used for balance remittance.</li> </ul>

<b>Builder KYC &amp; Payee Norms</b>	<ul style="list-style-type: none"> <li>• KYC documents of Builder mandatory for all disbursal cases (ID proof/ Address Proof/ MOA/ AOA/ Partnership Deed/ Certificate of Incorporation etc.) of the Developer Firm and also each of its promoters)</li> <li>• Service Tax/ VAT/ GST No. as applicable</li> <li>• KYC of Builder to document with OSV as per norms</li> <li>• Payment Receipts</li> <li>• Demand Letter</li> <li>• Mortgage of Permission Letter</li> <li>• Letter on Builder Letterhead stating Bank a/c Details. (favoring details)</li> <li>• In all (APF&amp;NON-APF ) Builder Purchase transactions, Bank Statement/ Passbook proving minimum 6 months vintage of Bank Account is must</li> <li>• Builder Bank Account Cancel Cheque</li> <li>• Builder Banking and transaction should be verified</li> </ul>
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**Notes:**

1. Loans will be given to individuals.
2. HUF, minors, lunatics, and insolvents are not to be considered for loans
3. Maximum 4 incomes can be clubbed
4. Doctors qualified as Ayurvedic, Homeopathy, Unani etc. will be considered under self-employed non-professional
5. The dates of filing of the two years tax returns should be at least 6 months from one another. Wherever the ITR is filed below the gap of 6 months, the Rate of Interest will be 1% above than that of prevailing rate of interest.

**Login Fees & Processing Fees:**

- The applicants are required to pay processing fee as per rates in force from time to time, based on percentage to the loan amount proposed to be sanctioned along with applicable goods and service tax (GST) there on.
- Rs. 1000/- including goods and service tax shall be collected as non-refundable login fees, which shall be collected at the time of application form.
- Processing fees is 1% of the loan amount plus goods and service tax. Equitable mortgage charges will be borne by the customer. (Note : PF Minimum 2%+GST with DSC cases)
- Once the loan is sanctioned & the sanction letter is accepted by the customer, the remaining processing fees shall be collected.
- The non-refundable processing fees should be banked and realized before sanction. The non-clearance of non-refundable processing fees shall amount to rejection of case.
- Processing Fees should be collected by cheque.
- If cheque, then the cheque should be from the salary a/c of salaried customer & main dealing current a/c of self-employed customer.
- If self-employed customer wishes to give processing fees from saving a/c, then bank statement of the said a/c for 6 months to be collected.
- If login fees bounce due to technical reason, then need to check whether there was sufficient balance in the account and approval of Credit Head required.

**Notes:**

1. No cash/DD to be accepted against Login Fees or Processing Fees amount

**Rate of Interest:**

- ☐ Floating Rate of Interest: ☐ At par with current IHLPLR on monthly rests basis. ☐ It will be reviewed by the management every quarter or any specific period as decided by the management

**Pre-Payment Charges:**

- For individual Borrowers:  
NIL
- .For Non-Individual Borrowers/Co-Borrowers:
  - a) Foreclosure: 2.00% of the balance outstanding at the time of foreclosure plus applicable goods and Service Tax.

**GENERAL KYC NORMS FOR ALL TYPES OF CUSTOMERS:**

- Duly filled application form signed by all the applicants/co-applicants/guarantors with place & date of signature mentioned on the form.
- One passport sized coloured photograph of applicants/co-applicants/guarantors duly signed across, should be fixed on application form.
- All the financial applicants and co-applicant/s to mandatorily submit copy of PAN Card and Aadhar Card.

Following documents need to be collected with application form:

KYC Documents - Individual:	
<b>IDENTITY PROOF</b> [Self attested copy of any one of the following]	<b>ADDRESS PROOF</b> [Self attested copy of any one of the following]



1. PAN Card (Mandatory) 2. Aadhar Card (UID) (Mandatory) 3. Valid Passport 4. Voters ID Card 5. Valid Driving License 6. Identity Card (Only Government & PSU employees) 7. Acknowledgement of PAN	1. Latest Utility Bill (Telephone/Electricity/Gas) 2. Electricity Bill (Applicable if customer is staying in own house or parental house) 3. (Bill not more than 3 months old) 4. Valid passport 5. Voters ID Card 6. Valid Driving License 7. Bank Account Statement (Bank/Post Office) 8. Credit Card Statement not older than 3 months 9. Residence Address Certificate/Letter by Employer Letterhead 10. Municipal & Property Tax Receipt 11. Letter from Employer (Government and Public Sector Organizations) 12. Copy of Sale Deed if self-owned property or Index II 13. Registered Rent Agreement/Notarized Rent Agreement 14. a) If currently rented house, copy of rent agreement, OR 15. b) 3 month rent receipt with revenue stamps duly signed with KYC of owner. (Aadhar card), OR 16. c) Verification report of customer to verify current residential address of customer in predefined format along with photo of customer (either of applicant or coapplicant) 17. In case of Unregistered Rent Agreement, the rent agreement should be duly notarized with the number of the public notary and utility bill not older than 3 months in the name of owner should be obtained as address proof along with the rent agreement. The copy of the notarized agreement duly certified and attested by the Notary Public bearing original stamp & signature of the Notary Public to be kept on records. In case the same is not available, then permanent address proof is required. 18. Aadhar Card (subject to address provided by the customer is the same as on Aadhar Card and positive residence verification of the provided address) (mandatory) 19. Pension or Family Pension Payment Order (PPO) issued to retired employee by Govt. Department or PSU contain address. 20. Letter of Allotment of accommodation from employer issued by State or Central Govt. Departments, Statutory or Regulatory Bodies, PSU, Scheduled Commercial Banks, Financial Institutions and listed companies. Similarly, Leave and License Agreements with such Employer allotting official accommodation.
Age Proof	1. Pan card 2. Valid passport 3. Valid driving license 4. School leaving certificate 5. Birth certificate 6. Aadhaar Card (UID)
Signature Proof	1. Pan card

	<ol style="list-style-type: none"> <li>Valid passport</li> <li>Signature verification from the bank</li> <li>Valid Driving License</li> <li>Clearance of processing fee cheque. The copy of cheque to be documented</li> </ol>
<b>Banking Norms</b>	<p>□ Minimum last six months bank statement</p> <ol style="list-style-type: none"> <li>Bank statement should be available for minimum 6 months immediately preceding the month in which sanction is released, OR</li> <li>New to banking customer non availability of bank statement (Deviation approval by Credit Manager)</li> </ol>
<b>In case of Company</b>	<p>[Name of the company, Principal place of business, Mailing address of the company, Telephone/ fax number]</p> <ol style="list-style-type: none"> <li>Certification of Incorporation</li> <li>Memorandum &amp; Articles of Association</li> <li>Resolution from Board of Directors</li> <li>Latest Electricity/Telephone Bill</li> <li>Audited Balance Sheet</li> <li>Director's Individual ITR's copies with COI</li> </ol>
<b>In Case of Firm</b>	<p>[Legal name, address, names of all the partners and their addresses, telephone numbers of the firm and partners]</p> <ol style="list-style-type: none"> <li>Registration Certificate, if registered</li> <li>Partnership Deed (preferably registered)</li> <li>Latest Electricity/Telephone Bill in the Name of firm / Partners</li> <li>Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf. (Authorized signatory proof in case of Partnership firm)</li> <li>Firm Audited Balance Sheet</li> <li>Individual Partner's ITR copies with COI</li> </ol>

**Notes :**

KYC of Companies and Firms will be considered in cases wherever Partners/Directors Income are considered for eligibility.

**Income Documents:**

**INCOME DOCUMENTS:** (all the documents should be self attested)

Salaried Cash & Bank

**FIXED SALARY :**

- Copy of Salary slips/Salary certificate for last 3 months.
- Mandatory six months bank statement including front page required with salary reflection.
- a) Salary Slip of last 3 months , OR
- b) Latest ITR statement for 1 year OR
- c) Salary certificate from employer OR
- c) Verification of Form 16 or 26AS, for income getting banked which is up-to and more than taxable income (Not applicable for customers of Cash Income program)

**VARIABLE SALARY :**

- Copy of Salary slips/Salary certificate for last 6 months.
- Mandatory nine months bank statement including front page required with salary reflection.
- a) Salary Slip of last 6 months, OR
- b) Latest ITR statement for 1 year OR
- c) Salary certificate from employer OR
- c) Verification of Form 16 or 26AS, for income getting banked which is up-to and more than taxable income (Not applicable for customers of Cash Income program)

The salary slips to be collected as per the below illustration:

Day of Login	Login Month	Salary Slip Required for
1 <sup>st</sup> -15 <sup>th</sup> day	June	Feb, Mar & Apr
16 <sup>th</sup> -30 <sup>th</sup> day	June	Mar, Apr & May

- Existing loan details like Type of loan, Name of Financier, Loan Amount, EMI Amount, Tenure of Loan, Balance Tenure etc. Statement of loan a/c may not be insisted if debit of EMIs are reflecting in bank account statement.
- Copy of appointment letter/Employee Contract wherever required.
- Pension Certificate if applicable.

Self Employed Professional & Non-Professionals	<p><b><u>Self-Employed Income proof</u></b></p> <p>a) ITR for 1 year for loan amount less than INR 10 lacs (Applicable for Self-employed Income Proof cases)</p> <p>b) ITR for 2 years for loan amount more than INR 10 lacs (Applicable for Self-employed Income Proof cases)</p> <p><b><u>Self-Employed Non Income Proof:</u></b></p> <p>a) Income Affidavit to be issued by Govt. Authority with 1 year ITR if loan amount is more than 10 lacs. (Mandate).</p> <p>b) Income Affidavit to be issued by Govt. Authority or 1 year ITR if loan amount is less than 10 lacs. (Mandate).</p> <p><b><u>Financial statements</u></b></p> <ul style="list-style-type: none"> <li>a) up to INR 10 lacs with one year ITR and computation of Income and</li> <li>b) More than 10 lacs detailed Financial statement with BS, PL &amp; COI</li> </ul> <p><b>Note:</b></p> <p><b><i>For Loan Amount 15 Lac or Less:</i></b> Last 2 years Balance sheet &amp; Profit &amp; Loss a/c (With schedules)</p> <p><b><i>For Loan Amount more than 15 Lac:</i></b> Last 2 years Balance sheet &amp; Profit &amp; Loss a/c (With schedules)</p> <ul style="list-style-type: none"> <li>Brief business profile on the letter head of the firm (by the applicant). In case of non-availability of letter head, the customer can submit the declaration in plain paper.</li> <li>All bank statements for last 6 months for saving a/c and current a/c.</li> <li>TDS certificate i.e. form 16-A (if applicable).</li> <li>Details of contracts (if applicable).</li> <li>Qualification certificate for self-employed professional.</li> <li>Salary certificate (in case of doctors having salary income).</li> <li>Existing loan details like Type of loan, Name of Financier, Loan Amount, EMI Amount, Tenure of Loan, Balance Tenure etc. Statement of loan a/c may not be insisted if debit of EMIs are reflecting in bank account statement.</li> <li>Shareholding in case of partnership firms and private limited companies.</li> <li>Latest 2 years audit reports if applicable (Will depend on the turnover norms as prescribed by IT Act from time to time)).</li> </ul>
PD NORMS	<input type="checkbox"/> All cases personal discussion mandatory
	<input type="checkbox"/> Income assessment done through Telephonic & Physical visit on PD sheet or Interview sheet has to be signed & accepted off by Credit Officer and Credit Manager.

#### ADDITIONAL DOCUMENTS FOR BALANCE TRANSFER (BT) LOANS:

- Obtaining latest 12 months repayment track record of EMIs in bank statement and loan account statement from existing financier.
- If repayment track record of EMI is less than 12 months (wherein pre-EMI was serviced) then total repayment track record of 12 months from existing financier is required. However, EMI repayment track should not be less than 6 months.
- List of documents [LOD] in original from the existing financier.
- Copy of Foreclosure letter/Sanction letter/latest loan account statement (Any one) of the proposed Balance Transfer.
- The document should have the following information:*
  - Nature/Purpose of Loan
  - Outstanding/Foreclosure Amount
  - Details of Security/Security Document submitted

#### **INCOME MULTIPLIER NORMS FOR SELF EMPLOYED PROFESSIONAL:**

- a. Doctors (Minimum MBBS, BDS, MD, MS & upwards) = 1.5 times of last 2 years average gross professional receipts.
- b. Other professionals (CA's, Architects) = 1.5 times of last 2 years average gross professional receipts.

#### **Note:**

If the jump in gross professional receipts exceeds 50% of that of last year then for working out eligibility, the increased gross professional receipts is capped at 50% of that of the previous year.

1. Gross receipts as declared by the professionals in their Income tax returns & duly vetted to be considered.
2. The above norms mentioned in A & B are the Annual Net Income for arriving at the eligibility.

#### **Example:**

If Average Gross Professional receipt (GPR) = X

Net Income considered for FOIR calculations:

1. Doctors (Minimum MBBS, BDS, MD, MS & upwards) = 1.5X
2. Other professionals (CA's, Architects) = 1.5X

#### **OTHER INCOME:**

Other income as stated below can be added, in computing the eligible loan amount.

<b>Rental Income:</b>	<p><b>Case 1 – Supporting documents such as registered/notarized rent agreements or rent credits, or IT returns showing rent income are available: 75%</b> (Branch to satisfy the proof of rental income by scrutinizing the rental agreement or bank statement or P&amp;L accounts.)</p> <p><b>Case 2 - No proof of rent received is available/ only cash receipts: 50%</b></p> <ol style="list-style-type: none"><li>1. Declaration by the customer mentioning the rent.</li><li>2. IHL Officer to verify the rent by visiting the property.</li><li>3. Rental value of property as mentioned in the technical report to be obtained if the rental income received is more than the primary income of the applicant/ co-applicant/s. [Lower of the above three will be taken for calculation of eligibility.]</li></ol> <p><b>Note:</b></p>
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	<b>Ownership proof of the property whose rental income is considered should be taken on records. The ownership should be in the name of applicant / co-applicant and not in the name of third party.</b>
<b>Pension Income:</b>	<b>50% of the pension income can be considered subject to:</b> <ul style="list-style-type: none"> <li>• Branch to satisfy the source, by verifying the document of pension.</li> <li>• The Pensioner should join as co-applicant, to the loan.</li> <li>• Person whose pension income is being considered should not be more than 65 years of age.</li> </ul>
<b>Tuition Income:</b>	<b>100% of the tuition income can be considered if the applicant possesses basic qualification. Tuition income should be declared in last 2 years Income tax Returns.</b>
<b>Part Time Income:</b>	<b>Not to be considered for computation of income.</b>
<b>Agricultural Income:</b>	<b>If the agricultural income is declared in IT returns or if the agricultural income certificate duly signed by the concerned government authority (as per the list attached) is submitted, the same may be considered @ 50%. Documentary proof of land ownership has to be part of documentation.</b>
<b>Speculation Income / Dividend Income:</b>	<b>Not to be considered</b>
<b>Interest Income (Bank Interest):</b>	<b>50% of average of last 2 years</b>

**Loan Amount Eligibility Calculation (INCOME SURROGATE):****SALARIED:**

Average Net Salary (only fixed component) of last 3 months as per salary slip.

The "Net Salary" for this purpose shall mean Gross Salary less all Statutory Deductions like, PF, professional Tax, TDS, ESI & other fixed obligations towards loans given by the employer.

Add:

- Average of 50% incentives of last 12 months of applicant will be considered to calculate the loan eligibility (Applicant has to provide the copy of latest year Form-16 to consider incentives)
- Average of 6 month of variable allowances reflecting in the salary slip @ 50%
- Any other income (as mentioned in the other income schedule) Loan Eligibility Calculation:

Average Net Salary: A

Multiply Average Net Salary with respective FOIR Norms:  $A \times \text{FOIR} = B$

Deduct Obligations (if any):  $B - \text{Obligations (If any)} = C$

EMI per Lakh of the Eligible Tenure: D

Loan eligibility =  $C / D$  (in lakhs)

**SELF EMPLOYED:**

Calculate Average Net Profit of last 2 years

If the increase in net profit of latest year exceeds 50% of the net profit of last year, the increase in net profit is capped at 50% of the net profit of the last year.

Add:

- Depreciation: Average of last two years subject to 150%\* of previous year (the depreciation to be considered is at the sole discretion of credit). If depreciation is not reflected in P & L Account, then should not be added back.
- Any other income (as mentioned in the other income schedule)

Loan eligibility calculation:

Average Net Profit: A

Multiply Average Net Profit with respective FOIR Norms:  $A \times \text{FOIR} = B$

Deduct Obligations (if any):  $B - \text{Obligations (If any)} = C$

EMI per Lakh of the Eligible Tenure: D

Loan eligibility =  $C / D$  (in lakhs)

**FIXED OBLIGATION TO INCOME RATIO (FOIR)**

The FOIR to be applicable as per below slab:

Net Income per month:	FOIR Slab:
Up to Rs. 20K	50%

<b>Greater than Rs. 20K</b>	<b>50%</b>

The eligibility is calculated on the fixed obligation to income ratio (FOIR). All the installments of all other loans already availed of by the applicant and still due which is more than 12 months. Documents to be collected evidencing balance EMI less than 12 months.

The ratio includes all the fixed obligation (Loan/Debt) that a borrower is supposed to meet regularly on monthly basis. The fixed obligation does not include statutory deduction from the salary such as provident fund, professional tax and deduction for investment such as insurance or a recurring deposit, EMI for Gold loan, Education loan and loan on Fixed Deposits/shares/LIC policy. In case of salaried, interest on OD to be considered as fixed obligation based on last six month's average interest payment.

Accordingly, the loan amount is to be fixed.



## Product Features:

PRODUCT	LOAN AMOUNT	LOAN TO VALUE (LTV)	LOAN TENURE	INTEREST RATE
Home loan	Minimum: - Rs. 50,000 Maximum: - Rs.25.00 Lacs	80%	Minimum: - 1 year Maximum: - 20 years	At par with current IHLPLR
Balance Transfer (BT)	Minimum: - Rs. 50,000 Maximum: - Rs.25.00 Lacs	75%	Minimum: - 1 year Maximum: - 20 years	At par with current IHLPLR
Additional Finance (Top-up)	Minimum: - Rs. 50,000 Maximum: - Rs.25.00 Lacs	50% of market value of the property subject to BT+ additional Finance not exceeding 75% of the market value  Combined LTV for BT with additional finance :75%  For No Income Proof (NIP): Combined LTV in balance transfer with additional finance should not exceed 70% of the fair market value of the flat /house.	Minimum: - 1 year Maximum: - 15 years	IHLPLR + 1%
Improvement/ renovation	Minimum: - Rs. 50,000 Maximum: - Rs.25.00 Lacs	70%	Minimum: - 1 year Maximum: - 10 years	IHLPLR + 1%
Home extension loan	Minimum: - Rs.50, 000 Maximum: - Rs.25.00 Lacs	80%	Minimum: - 1 year Maximum: - 20 years	IHLPLR + 1%
Self Construction	Minimum: - Rs. 50,000 Maximum: - Rs.25.00 Lacs	80%	Minimum: - 1 year Maximum: - 20 years	As per Profile Based Pricing
Agricultural Income scheme	Minimum: - Rs. 50,000 Maximum: - Rs.20.00 Lacs	70%	Minimum: - 1 year Maximum: - 20 years	As per Profile Based Pricing

<b>No income proof scheme (only for selfemployed) and cash salary</b>	<b>Tier I cities:</b> <b>Minimum: -</b> <b>Rs.</b> <b>50,000</b> <b>Maximum: -</b> <b>Rs.25.00</b> <b>Lacs</b> <b>Tier II cities:</b> <b>Minimum: -</b> <b>Rs.</b> <b>50,000</b> <b>Maximum: -</b> <b>Rs.25.00</b> <b>Lacs</b> <b>Tier III cities:</b> <b>Minimum: -</b> <b>Rs.</b> <b>50,000</b> <b>Maximum:</b>	<b>70%</b>	<b>Minimum:</b> <b>- 1</b> <b>year</b> <b>Maximum:</b> <b>- 15 years</b>	<b>As per Profile Based Pricing</b>

	- <b>Rs.25.00 Lacs</b>			
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**Note:**

**Loan value more than Rs. 25 Lacs to be approved by Credit Committee.**

#### DISBURSEMENT:

- The loan will be disbursed in full or in suitable installments taking into account the requirement of funds and progress of construction, as assessed by IHL. The Cheque/ pay order / DD will be made in the name of builder / seller / vendor with the bank a/c number. Bank details of builder/seller/vendor.
- In case resale property purchased, the copy of pan card of the seller needs to be obtained or if the Pan Card is not available, a declaration (as per attachment) along with identity proof & Address proof (as per KYC norms) of the seller should be obtained and kept on record.
- In case of resale property purchased, copy of seller's bank account to be obtained.
- In case of resale transaction, IHL branch manager/ IHL officer should meet the seller personally & verify the transaction.
- IHL officer should meet the seller atleast once for verification of property transaction
- In case of self construction/extension/renovation/improvement/plot plus construction, payment may be made in favour of borrower or directly in favour of vendor on request of borrower.
- In case of take-over of loans, the Cheque/Pay-Order/DD would be made in favour of the financier from whom the loan is being taken over
- Loan takeover with additional finance: In case of take-over component of the loans, the Cheque/ Pay-Order/DD would be made in favour of the financier from whom the loan is being taken over. The additional component would be paid to the bank a/c of the borrower post receipt of original title documents from the existing financier. Financier can be a Bank / HFC etc.
- Takeover from individuals, cooperative society, credit society, trust etc. will not be accepted.
- In case of construction, amount of loan will be released in 3 tranches as per construction plan:

1st tranche (after completion of plinth + lintel level)	Maximum of 35% of loan amount
2nd tranche (after completion of slab level)	Maximum of 35% of loan amount
3rd tranche (after completion of full construction)	Maximum of 30% of loan amount (Valuation report should reflect that property is 100% complete)
<ul style="list-style-type: none"><li>• The stage of completion will be verified from the technical report.</li><li>• Contribution from the customer will be upfront.</li><li>• Form C or completion certificate would be PDD wherever it is applicable.</li></ul>	

#### Documents to be collected at the time of disbursement:

1. Accepted sanction letter
2. Loan agreement duly signed
3. Equitable mortgage / registered mortgage creation documents/MOTD
4. Deed of Guarantee (wherever applicable)
5. Original property documents – Sale deed, previous chain of agreements if any and any other title document (Share certificate etc. as applicable) as mentioned in the legal report
6. NOC from builder / society (as applicable) in the prescribed format

7. In case of PDCs: 10 Security PDC's  
*Requisite cheque/s towards Pre-EMI & 3 undated cheques not exceeding the loan amount as Security Cheque.*
8. In case of ECS/NACH: 1 EMI Cheque and 1 Cancelled Cheque in case of ECS  
*Requisite cheque/s towards Pre-EMI & 3 undated cheques not exceeding the loan amount as Security Cheque.*
9. Updated encumbrance certificate wherever applicable
10. Approved building plans, if applicable
11. Disbursement request letter
12. Affidavit cum undertaking in the prescribed format
13. Other documents – affidavit, undertaking, undertaking for balance transfer etc. wherever applicable.
14. Documents mentioned in the legal report given by the empanelled advocate should be collected.

#### **REPAYMENT:**

Interest shall be calculated on the basis of monthly rest, as per terms & conditions of sanction conveyed in the Sanction Letter.

EMI date / repayment date is 10<sup>th</sup>/25<sup>th</sup> of each month.

#### **PART DISBURSEMENTS:**

##### **OPTION 1 IF DATE IS 10<sup>TH</sup> OF THE MONTH:**

- If the part disbursement is made from 25<sup>th</sup> to 9<sup>th</sup> of the month, interest would be charged from the date of disbursement up to 9<sup>th</sup> of the month.
- Thereafter the PEMI shall fall due on 10<sup>th</sup> of every following calendar month, till full disbursement.

##### **OPTION 2 IF DATE IS 25<sup>TH</sup> OF THE MONTH:**

- If the part disbursement is made from 10<sup>TH</sup> to 24<sup>th</sup> of the month, interest would be charged from the date of disbursement up to 24<sup>th</sup> of the month.
- Thereafter the PEMI shall fall due on 25<sup>th</sup> of every following calendar month, till full disbursement.

#### **FULL DISBURSEMENTS:**

##### **OPTION 1 IF DATE IS 10<sup>TH</sup> OF THE MONTH:**

- For full disbursements made from 25<sup>th</sup> to 9<sup>th</sup> of a month, PEMI would be charged on the 10<sup>th</sup> of the same month from the date of full disbursement up to 9<sup>th</sup> of the month. The EMI shall fall due on 10<sup>th</sup> of the following calendar month.

##### **OPTION 2 IF DATE IS 25<sup>TH</sup> OF THE MONTH:**

- For full disbursements made from 10<sup>th</sup> to 24<sup>th</sup> of a month, PEMI would be charged on the 25<sup>th</sup> of the same month from the date of full disbursement up to 24<sup>th</sup> of the month. The EMI shall fall due on 25<sup>th</sup> of the following calendar month.

**Example:**

**If loan is disbursed between 25<sup>th</sup> Sep to 9<sup>th</sup> Oct**

Pre EMI will be collected from customer on 10<sup>th</sup> Oct and EMI will start from 10<sup>th</sup> Nov.

**If loan is disbursed between 11<sup>th</sup> Oct to 24<sup>th</sup> Oct**

Pre EMI will be collected from customer on 25<sup>th</sup> Oct & EMI will start from 25<sup>th</sup> Nov.

- Moratorium period for Under Construction / Self Construction property: Maximum of 18 months
- Repayment (EMI) in case of under construction / self-construction will start 18 months (maximum moratorium period) after 1<sup>st</sup> disbursement or 1 month after full disbursement / possession of house / flat whichever is earlier.
- Where the loan is disbursed in stages, interest on the loan disbursed shall be recovered on monthly basis from the date of disbursement.

PDCs for a minimum period of 13 months will be obtained at a time along with 3 security cheques and PEMI cheques.

**Security:**

- Equitable mortgage of the property by deposition of the original title deeds.
- Equitable mortgage charges to be borne by the borrower.
- Registered mortgage wherever applicable may be asked.
- Mortgage charges will be borne by the customer.
- Additional security like units of NSC, LIC Policy etc. duly assigned in favour of IHL may be obtained as per the sanction terms and conditions.

**Insurance:**

<b>Insurance (Property &amp; Life Insurance)</b>	<ul style="list-style-type: none"> <li>□ It is advisable to take life insurance by the borrower and Life / non-life insurance should be in name of key borrower whose income considered.</li> <li>□ Collateral Insurance is MUST in all loans (not applicable where collateral is Plot) Deviation can be provided for not taking the property insurance, by approving authority</li> </ul>
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**Inspection:**

Inspection to be undertaken by authorized empaneled agency prior to disbursement/s & during progress of construction

Photograph along with inspection report to be submitted by authorized empaneled agency.

This is in addition to the valuation reports given by the empaneled technical agencies.

## **GUIDELINES FOR BALANCE TRANSFER WITH/WITHOUT ADDITIONAL FINANCE**

**Take-over of Housing Loan with / without additional finance.**

- 1. Additional finance amount should be maximum 50% of the market value & total exposure (LTV) in balance transfer with additional finance should not exceeds 75% of the fair market value of the flat/house.**
- 2. For NIP combined LTV in balance transfer with additional finance should not exceed 70% of the fair market value of the flat /house.**
- 3. Facility to be extended to the owners of the property only. No third-party lending is allowed.**
- 4. Two loan accounts to be opened:**
  - **One for the take-over component – at ongoing home loan rates**
  - **Another for the additional finance component – at the rate of 1% p.a. above home loan rate (monthly reducing basis). The tenor of additional finance to be restricted to maximum of 15 years subject to being equal to or lower than the BT tenor. Separate loan a/c to be opened for this component. This loan a/c should be linked to the original loan a/c. The EM will be created on the total amount (BT + additional finance). End use of the amount to be obtained from the borrowers. This should not be used for speculative purpose.**
- 5. Disbursement for the take-over component to be made directly to the existing lender (i.e. the Bank or the HFC).**
- 6. Disbursement for the additional component to be made to the borrower directly after receiving original documents from financier.**
  - **All other features will be same as per home loans policy.**

***Additional Guidelines for Balance transfer of under-construction properties subject to:***

- a. Applicable to Self-construction property only.**
- b. The conveyance of the property is done.**
- c. Minimum 65% of the property should be complete.**

- d. Construction should be ongoing.
  - e. Additional finance would be in tranches—one for completion of the property and other post completion.
  - f. Repayment Track record (RTR) of minimum 12 months (Pre-EMI/EMI)
  - g. In the RTR, maximum 2 cheque bounces are permissible. The reason of bounces should be of Technical in nature. The cheque should not have bounced due to funds insufficient.
  - h. The account should not have any overdue at the time of take-over.
  - i. All other features as mentioned in the balance transfer guidelines.
- ☐ Additional finance for existing borrowers with at least 12 months vintage

*Balance transfer guidelines will be applicable subject to following conditions:*

- a) A fresh search report is mandatory.
  - b) LOD + repayment statement of account is received by the existing financial institution
  - c) Not applicable to under construction properties.
  - d) The account should not have any overdue.
- ☐ Additional Finance will never be extended if the account at any point of time have 60 days past overdue.

#### GUIDELINES FOR NO INCOME PROOF SCHEME

This scheme will apply to the Self-Employed (Professional & Non Professional) category and will be based on the cost of property/valuation of the property to be purchased / constructed.

The objective/advantages of this scheme are as follows:

- ☐ Get self-employed residents under our lending net & thereby help us to build volumes
- ☐ Increase the overall yield

Profile	Self Employed -Professional & Non Professional's only
Loan Limit	<p>Loan amount : Tier I cities (List is attached as Annexure-1)</p> <p>Minimum-Rs. 50000 Maximum-Rs. 25 Lac</p> <p>Loan amount : Tier II cities (List is attached as Annexure-1)</p> <p>Minimum-Rs. 50000 Maximum-Rs. 25 Lac</p> <p>Loan amount : Tier III cities (List is attached as Annexure-1)</p> <p>Minimum-Rs. 50000 Maximum-Rs. 25 Lac</p>



<b>Rate of Interest</b>	<p>IHLPLR+ 1% (1% above home loan rate)</p> <p>If the customer is filing income tax returns regularly then, the rate of interest Applicable will be IHLPLR plus 0.50%.</p> <p>• The dates of filing of the two years tax returns should be at least 6 months From one another. Wherever the ITR is filed below the gap of 6 months, the Rate of interest will be IHLPLR + 1%.</p>
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	<p>•Minimum ITR filed should be of Rs.1.00 Lac.</p> <p>•The eligibility calculation will be based on our NIP methods.</p>
<b>Tenure (excluding moratorium)</b>	Maximum tenure –15 years
<b>LTV</b>	60%
<b>Business continuity</b>	<p>Business Continuity Proof required for minimum three Years. The validation would be done by one of the following:</p> <p>Copy of acknowledgement of Income Tax Return (ITR) pertaining to a period 3 years back</p> <ul style="list-style-type: none"> <li>. Shops &amp; Establishment certificate</li> <li>. Excise registration certificate</li> <li>. Goods and Service Tax registration certificate</li> <li>. Small scale unit registration certificate</li> <li>. Certificate of Practice (for C.A) or COR for doctor</li> </ul>
<b>Security</b>	Same as Home Loan
<b>Credit Interview</b>	Mandatory, in the business premises of the borrower, irrespective of the loan Amount
<b>Pre-payment</b>	As per Home Loan product parameters
<b>Bank statements</b>	<p>The applicant should have a running current or savings Account in his name. The account should be one year (12 months) old from the date of application.</p> <ul style="list-style-type: none"> <li>. Cash flow analysis i.e. income &amp; expenses analysis of the business of the customer for last 3 months.</li> <li>. Average balance for each of the past 6 months should be greater than or equal to 1.5 times of the proposed EMI</li> <li>. Methodology of Average Balance=</li> <li>. Sum of balance as on 5th ,15th, 25th &amp; 30th divided by 4 OR</li> <li>Sum of balance as on each day of month divided by number of days in the month.</li> <li>. Total of minimum five entries in a month (cumulative) in all bank accounts held by borrower and if more than one bank account is considered then minimum two entries in a month is require in each bank account held by borrower.</li> <li>. Entries in a month are to be counted as a summation of all credits &amp; Debits</li> </ul>
<b>Income Documents</b>	NIL

NAMI	<p><b>Option 1</b></p> <ul style="list-style-type: none"> <li>. Monthly average bank balance= (Balance as on 5th + Balance as on 15th + Balance as on 25th + Balance as on 30th )/4. OR Sum of balance as on each day of month divided by number of days in month. . 6 month's average bank balance= Total of last 6 month's monthly average bank balance.</li> <li>. Adjusted monthly average bank balance = 6 month's average bank balance 6</li> <li>. For eligibility calculation</li> </ul> <p><b>NAMI= Adjusted monthly average bank balance</b></p> <p><b>Option 2</b></p> <p>A. Turnover for month= Assessed Sales per day ( based on assessment of BM/ local credit officer) x 25 days</p> <p>OR</p> <p>Assessed sales for the month.</p> <p>B. Expenses for the month= Assessed expenses per day ( based on assessment of BM/ local credit officer) x 25 days</p> <p>OR</p> <p>Assessed expenses for the month</p> <ul style="list-style-type: none"> <li>. Net Income = A – B</li> <li>. NAMI = Net income-other obligations</li> <li>. Customer to produce daily sale/receipt for minimum of last three months based actual/katcha bills for verification of the same by IHL</li> </ul>
	<p><b>Officer.</b></p> <ul style="list-style-type: none"> <li>. A detail list of actual/Kutchra bills prepared in excel sheet to be certified by the customer &amp; verified by IHL Officer.</li> <li>. Sample copies (not less than 5 samples per month) of these kutchra bills to be certified by IHL officer.</li> </ul>

## GUIDELINES FOR CASH SALARY VARIANT PRODUCT

**Target Customers:** Customers working in partnership/ proprietorship or private limited companies, Government employees, employees of public limited companies receiving salary in cash shall be a part of this product.

A)	Tier I Cities	Other than Tier I Cities
	Mumbai/ Chennai/ Pune/ Kolkata/ Delhi/ Ahmedabad/ Hyderabad/Bangalore	
<b>B) Parameters:</b>		
<b>1.Loan Amount:</b>	Maximum loan amount Rs.20.00 Lacs	Maximum loan amount Rs.15.00 Lacs
<b>2. LTV:</b>	As per Product Features	As per Product Features
<b>3. Tenure:</b>	240 months	240 months
<b>4. FOIR :</b>	50%	50%
<b>4. Type of Property:</b>	New property purchase Resale property purchase Purchase of plot & construction thereon Balance transfer plus additional finance Self Construction Not applicable for renovation, repair, extension or only balance transfer (Note : Extension cases will be allowed only for our existing customers)	
<b>5. Eligibility Calculation:</b>	100% cash salary with respective FOIR as mentioned in the home loan product policy.  Clubbing of more than 2 cash salary not permitted in single loan application.	
<b>1. Minimum Income</b>	Minimum assessed Family's household income by formal and informal means to be at least Rs.15000/- p.m.  Cash salary not exceeding Rs.30,000/- p.m.	
<b>2. Documentation:</b>	a) a) Salary Slip of last 3 months , OR b) Latest ITR statement for 1 year OR c) Salary certificate from employer OR  All other KYC, FI, verification process is same as in home loan product	
<b>3. Banking Norms</b>	Minimum six months bank statement compulsory	
<b>4. Other Terms:</b>	Overall minimum of 5 years vintage. The employee should have vintage of 1 year in current organization.	
<b>5. PD Norms</b>	✓ All cases personal discussion mandatory ✓ Income assessment done through Telephonic & Physical visit on PD sheet or Interview sheet has to be signed & accepted off by Credit officer and Credit Manager.	

**Note:**

State / Central government employee with cash salary exceed Rs. 30000/- can be considered subject to positive employment verification by Credit Officer /Credit Manager/ outsourcedagency. This will not be considered as deviation.

#### **GUIDELINES FOR HOME IMPROVEMENT / RENOVATION / EXTENSION OF EXISTING PROPERTY**

- **Loan Amount: Up to Rs. 25.00 lac.**
- **Only to be offered to the owner(s) of the residential property.**
- **Loan Tenure: For Home improvement and renovation**
- **Minimum–1year**
- **Maximum–10 years**
- **Loan Tenure: For Home Extension**
- **Minimum–1year**
- **Maximum–20 years**
- **Copy of building sanction letter & map will be required as per local bye laws.**
- **All other features will remain same as mentioned in home loan product.**
- **Estimates from architect / contractor to be obtained.**
- **Disbursement will be done in the favour of vendors / borrower.**
- **Valuation of the property to be done prior to disbursement to ascertain the stage of work done.**
- **Rate of interest–Same as home loan**
- **All other features will be same as home loans**

#### **Note:**

**Construction on self-owned plot will be considered as home loan and home loan product features will be applicable in addition to the guidelines mentioned above.**

#### **GUIDELINES FOR AGRICULTURAL INCOME:**

<b>Profile</b>	<b>Self Employed Non-Professional</b>
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<b>Loan Amount</b>	<b>Up to Rs. 20 Lacs</b>
<b>ROI</b>	<b>IHLPLR+ 1% (1% above home loan rate)</b>
<b>LTV</b>	<b>60%</b>
<b>Supporting documents</b>	If the agricultural income is declared in IT returns or if the agricultural income certificate duly signed by the concerned government authority (as per the list attached) is submitted, the same may be considered @ 50%. Documentary proof of land ownership has to be part of documentation.

All other parameters will be as per existing home loan product.

#### FOIR + LTV scheme for self-employed non-professional & / self-employed professional only

<b>Approved borrower Entities</b>	<b>Self Employed Professional (SEP) &amp; Self-Employed Non-Professional (SENP)</b> Only to be offered to owner(s) of the residential property
<b>Loan amount</b>	<b>Lower Limit - Rs.50 thousand</b> <b>Upper Limit - Rs.25.00 Lacs</b>
<b>Tenure</b>	<b>As per existing Home Loan product parameters</b>
<b>Purpose</b>	a. Purchase of a new house / flat b. Purchase of old house / flat which is not more than 20 years old c. Funding for under construction builder properties
<b>Rate of Interest</b>	<b>IHLPLR (Same as Home Loan ROI)</b>
<b>Loan to Value (LTV)</b>	<b>Maximum 80%</b>
<b>FOIR</b>	<b>Maximum 50%</b>
<b>Eligibility as Combined Loan to value &amp; Installment to Income Ratio (CLIR)</b>	<b>CLIR* not to exceed 120%. (FOIR not to exceed 50% &amp; LTV not to exceed 70%)</b>
<b>Funding</b>	<b>Funding to be based on Cost of Property (COP) i.e. Agreement value, subject to 80% of COP or valuation report whichever is lower</b> <b>Amenities can be considered for calculating documented cost upto 40% of sale deed value or actual whichever is low</b>
<b>Insurance</b>	<b>As per existing Home Loan product parameters</b>
<b>Disbursement</b>	<b>As per existing Home Loan product parameters</b>
<b>Security</b>	<b>Mortgage of the property to be financed, by way of deposit of title deeds</b>
<b>Documentation (sanction &amp; disbursement)</b>	<b>As per existing Home Loan product parameters</b>

\*CLIR is FOIR +LTV

#### Income Ownership Grid – Loan to Individual

If applicant's spouse and/ or son, daughter, father, mother are earning members, they can join as co-applicant to enhance the loan eligibility by clubbing their income with the applicant.

Income ownership grid aims to clarify that whose income can be considered for loan eligibility in different scenarios of property ownership. For example, if husband is the owner of the property, income of self and/ or spouse can be considered for loan eligibility. In this grid, 'Y' indicates "Yes", whose income can be considered and 'N' indicates "No", whose income cannot be considered.

Ownership	Income		
	Husband	Wife	Husband + Wife

<b>Husband</b>	Y	Y	Y		
<b>Wife</b>	Y	Y	Y		
<b>Husband + Wife</b>	Y	Y	Y		
				<b>Father + Son +</b>	<b>Son + Daughter</b>
	<b>Father</b>	<b>Son</b>	<b>Father + Son</b>	<b>Daughter in Law</b>	<b>in Law</b>
<b>Father</b>	Y	Y	Y	Y	Y
<b>Son</b>	Y	Y	Y	Y	Y
<b>Father + Son</b>	Y	Y	Y	Y	Y
<b>Father + Son + Daughter</b>					
<b>in Law</b>	Y	Y	Y	Y	Y
				<b>Father + Daughter + Son</b>	
				<b>in Law</b>	<b>Daughter + Son in Law</b>
	<b>Father</b>	<b>Daughter</b>	<b>Father + Daughter</b>		
<b>Father</b>	Y	N	N	N	N
<b>Daughter</b>	N	Y	N	N	Y
<b>Father + Daughter</b>	Y	N	N	N	N
<b>Father + Daughter + Son</b>					
<b>in Law</b>	Y	Y	Y	Y	Y
				<b>Mother + Son +</b>	<b>Son + Daughter</b>
	<b>Mother</b>	<b>Son</b>	<b>Mother + Son</b>	<b>Daughter in Law</b>	<b>in Law</b>
<b>Mother</b>	Y	Y	Y	Y	Y
<b>Son</b>	Y	Y	Y	Y	Y
<b>Mother + Son</b>	Y	Y	Y	Y	Y
<b>Mother + Son + Daughter</b>					
<b>in Law</b>	Y	Y	Y	Y	Y
				<b>Mother +</b>	
				<b>Daughter + Son in Law</b>	<b>Daughter + Son in Law</b>
	<b>Mother</b>	<b>Daughter</b>	<b>Mother + Daughter</b>		
<b>Mother</b>	Y	N	N	N	N
<b>Daughter</b>	N	Y	N	N	Y
<b>Mother + Daughter</b>	Y	N	N	N	N
<b>Mother + Daughter + Son</b>					

<b>in Law</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>
	<b>Brother 1</b>	<b>Brother 2</b>	<b>Brother 1 + 2</b>		
<b>Brother 1</b>	<b>Y</b>	<b>N</b>	<b>N</b>		
<b>Brother 2</b>	<b>N</b>	<b>Y</b>	<b>N</b>		
<b>Brother 1 + 2</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>		
	<b>Brother</b>	<b>Sister</b>	<b>Brother + Sister</b>		
<b>Brother</b>	<b>Y</b>	<b>N</b>	<b>N</b>		
<b>Sister</b>	<b>N</b>	<b>Y</b>	<b>N</b>		
<b>Brother + Sister</b>	<b>N</b>	<b>N</b>	<b>N</b>		

### **Specific Terms and Conditions for all Products and Variants**

- **Personal discussion is mandatory prior to sanction**
- **Residence verification, office verification and document verification shall be done by empaneled agency of IHL**
- **Tele-verification shall be conducted by IHL officer.**
- **Location map of the property should be compulsorily given in file by IHL official/ valuer.**
- **The geo limit of the property and person has to be within 50 kms from the Branch/Micro Branch location. For example, if the applicant is residing and working within one branch geo limit and buying property within another branch geo limit, such proposal to be considered within geo limit.**
- **If the borrower is posted or doing business beyond geo-limit but offering security located where IHL branch exist, then local guarantor is required. A guarantor can be any family member /friend/business associate of the applicant who is ready to guarantee the loan. Such person's residence verification should be positive and cibil should not have adverse credit history.**  
**Signature verification can be done through any of the KYC document produced bearing his signature.**
- **All the documents submitted by the applicant(s)/ guarantor should be verified with the original documents of the applicant(s) / guarantor by IHL officer only**
- **All co-owners in the property should be co-applicants to the loan**
- **The application form will be filled in the sequence of ownership in property irrespective of income consideration or age**
- **In case of joint ownership in property, first owner will be primary applicant & co-owner will be co-applicant**
- **In case of single ownership in property, the owner will be primary applicant**
- **In case of self-employed borrowers, Photos of stock and Business premises along with the customer to be clicked and kept on record.**
- **Consent declaration to be obtained from the other siblings/legal heirs of the property wherever the property is under sole or joint ownership of parents and one of the legal heirs is the financial applicant to the loan. A declaration to be taken from the Borrower enumerating his/her siblings/legal heirs of the property.**
- **Re-finance can be done within 6 months from the date of purchase of property, i.e. from the date of execution of sale deed. If date of execution of sale deed is beyond 6 months but within 12 months then rate of interest will be charged 1% higher than the prevailing home loan rate. This will be applicable only in cases where property is being purchased from builder or in a resale transaction.**

**In case of self-construction, documented plot value to be considered as margin subject to:**

1. **Plot being acquired by own source or by spouse & self-owned/spouse owned.**
2. **The Plot not being inherited/gifted/etc.**
3. **Funding:**  
**80%\* of (the documented value of plot Plus estimated value of construction) or 100% of the estimated value of construction, whichever is lower.**
4. **Proof of the financial transaction may not be insisted.**



***\*This varies from product to product. Please refer the chart of product features for LTV applicable under various products/schemes***

**In case of extension, market value of existing property as per valuation to be considered as margin subject to:**

- 1. Plot being acquired by own source or by spouse & self-owned/spouse owned.**
- 2. The Property not being inherited/gifted/etc.**
- 3. Funding:**  
**80% of (the market value of the existing property Plus estimated value of construction) or 100% of the estimated value of construction, whichever is lower.**
- 4. Proof of the financial transaction may not be insisted.**

***\*This varies from product to product. Please refer the chart of product features for LTV applicable under various products/schemes***

**In case Property\* is not numbered (e.g. Khasra no./Dug no. etc.), following conditions need to be fulfilled:**

- 1. Property to be visited by 2 IHL officers separately on different days. They will have to submit a visit report along with route maps.**
- 2. Borrower to submit an affidavit, along with route map, a photograph of himself/herself standing beside the property.**
- 3. A letter to be mailed by Registered Post to the property address and the same (letter) should be hand delivered back by the borrower to IHL office either at the time of documentation or time of disbursement.**

**\*property means "Completed Property"**

## Other Terms and Conditions

- The property to be funded should have an approach road which is at least 10 feet wide.
- Empaneled advocate of IHL will give legal report. All the documents as stipulated in the legal report needs to be collected prior to disbursement. The original documents will be verified by the empanelled advocate & vetting certificate/report will be given by him
- Empaneled Valuation Agency of IHL will do technical report and fair market value of the property to be funded. The valuation report will mandatorily capture the photograph of the property & location map of the property. If required, two independent valuations will be conducted and lower of the two will be considered as fair market value of the property. In case of part disbursements, valuation will be done at the time of each disbursement.
- Two valuations would be conducted for all Home Loans of loan amount Rs.25 lacs and above.
- If property is partially commercial, valuation to be considered only for residential portion i.e. construction value of commercial portion to be excluded
- Post disbursal documents like sale deed, share certificate should be collected
- Guarantor to application is at the sole discretion of the credit authority
- Login fees of Rs. 1000/- is nonrefundable and case cannot be login without initial login fees cheque. Cash/DD will not be accepted as login fees. In case of balance transfer cases and cases where legal and technical has to be initiated prior to sanction, initial processing fees of Rs.5000/- + G.S.T is to be collected
- Processing fees cheque must be in favor of "India Home Loans" and should be deposited in ABC Bank a/c number 0000000000000000
- Mode of repayment is either PDC/ NACH/ ECS/ CASH.
- LTV\* is to be calculated on market value subject to the loan amount not exceeding 100% of the sale consideration. Sale consideration will include the below mentioned components. Stamp duty and registration cost will not be included for this calculation.
  - In Builder purchase Case: Sale deed value + Construction Agreement value ○ In resale Cases: Sale deed value + Amenities agreement value ○ In Refinance Cases: Sale deed value
  - The above guidelines will be applicable for plot plus construction cases also.
  - For Balance transfer cases, the extant guidelines of market value prevails.

*\*This varies from product to product. Please refer the chart of product features for LTV applicable under various products/schemes* □ Pari Pasu charge will not be considered

## PROPERTIES NOT ACCEPTED FOR FUNDING

- Agricultural property will not be considered for funding
- Residential property where built up area is less than 300 sq ft.
- Properties with kachha structure, asbestos sheet roofs, hutments , chawl, pagdi etc
- Properties in negative areas
- Properties on which legal charge or lien cannot be created as per the laws of the state or where enforceability is weak like trust property
- Property in the name of Partnership firms, HUF, Trust will not be considered for housing loans

- Property situated in low lying areas near tanks/lakes, banks of rivers, which are susceptible/vulnerable to floods should be AVOIDED
- Properties with approach road less than 10 feet.

#### PROCESSING FEES REFUND POLICY

Sr. No.	Scenario	PF amount to be retained by the IHL	PF amount to be refunded to the Applicant
1.	Application rejected	Rs.5,000/- plus G.S.T. or actual expenses borne by IHL whichever is higher	Processing fees collected, apart from non-refundable fees, if any
2.	Application sanctioned for a lower amount then the loan applied and applicant is not interested in the lower amount	Rs.5,000/- plus G.S.T. or actual expenses borne by IHL whichever is higher	Balance processing fees collected
3.	Application disbursed for a lower amount then the amount Sanctioned	Rs.5,000/- plus G.S.T. or actual expenses borne by IHL whichever is higher	Balance processing fees collected
4.	Case sanctioned subject to legal & technical clearance and thereon rejected basis legal & technical Report	Rs.5,000/- plus G.S.T. or actual expenses borne by IHL whichever is higher	Balance processing fees collected
5.	Case sanctioned but not availed	Rs.5,000/- plus G.S.T. or actual expenses borne by IHL whichever is higher	Nil
6.	Government schemes where technical and legal expenses are not incurred	N.A.	N.A.

#### ASSESSMENT METHODOLOGY

##### General details:

1. Tendency to pay
  - a. Utilization and timely payment of credit card
  - b. Bill amount and timely payments of mobile phone, landline/electricity bills
  - c. Willingness to give additional collateral (assets owned)
  - d. Repayment track record of personal loan/ car loan/ housing loan
2. Banking habit/ savings/ timely payments
  - a. Average balance of saving bank A/C
  - b. Quantum/nature of FD/investment

##### Business Details:

1. Tendency to pay
  - a. RTR of term loan
2. Business growth/size/ continuity
  - a. Turnover, utilization of Bank Loan working capital
  - b. No. of Employees
  - c. No. of years
  - d. Cash/credit bill
3. Paid stock
  - a. Value of stock

- 4. Eligibility/financial status/ authenticity of business**
  - a. Ownership of premises (owned/rented)**
  - b. Availability of mandatory licenses/registrations**
- 5. Verification of income**
  - a. Last six months bill book/kutchra bills**
  - b. Verification of dummy books with assessed monthly sale**
  - c. Check with people in same line net margin in business----- (Trade reference check & neighbor check)**

### Procedure for loan in case of purchase of resale house / flat

#### Example:

Mr. X bought a flat from builder in 1990. He sold the flat to Mr. Y in 2006 and now Mr. Z is buying the flat from Mr. Y in 2011 for Rs. 15 Lac – Documented Cost.

Mr. Z approaches IHL for loan of Rs. 12 Lac (3 Lac is margin money).

#### Case 1:

If Y is the sole owner of the flat (No housing loan has been availed by Y)

After legal & technical valuation, sanctioned loan amount will be disbursed and cheque/PO will be on the name of Mr. Y

#### Documents Required:

1. Pan Card copy of Mr. Y or If the Pan Card is not available, a declaration (as per attachment) along with identity proof & Address proof (as per KYC norms) of the seller should be obtained and kept on record
2. Bank account details and copy of pass book. Loan amount will be released in the account which has already run for minimum six months.

#### Case 2:

If Y is owner of the flat and the same is mortgaged for home loan to Bank ABC

Say Mr. Y has taken the loan of Rs. 10 Lac before two years.

Current outstanding is of Rs. 8 Lac (as given by Bank ABC.)

Then Rs. 8 Lac will be paid to Bank ABC by IHL to close the loan a/c of Y. The original property documents will be collected from the Bank ABC and verified. Post verification and checking with the legal report, the remaining Rs. 4 Lac loan amount will be disbursed to Mr. Y.

#### Documents Required:

1. Pan Card copy of Mr. Y or if the Pan Card is not available, a declaration (as per attachment) along with identity proof & Address proof (as per KYC norms) of the seller should be obtained and kept on record.
2. Bank account details and copy of pass book. Loan amount will be released in the account which has already run for minimum six months.
3. Letter of current outstanding of Mr. Y with interest till date & favoring details.

**Policy on fraud detection / prevention / management:**

- Credit staff can conduct verification wherever verification agency is not available.
- Business/Employment verification compulsory for Self-Employed/Cash salary cases where PD/cash salary verification done by on roll credit staff.
- Credit staff personally verified the Borrower/Co-Borrower all original Kyc
- Credit staff personally verified the Borrower/Co-Borrower all original address proof
- Credit staff personally verified the Borrower/Co-Borrower Original Bank Passbook and match the debit and credit transaction.
- Credit staff check in bank salary credit cases ... Copy of Form 26AS , Form 16 if applicable
- Credit staff confirmed/personally verify, Employment verification i.e. Salary slip/Salary certificate/Salary banking , Date of joining , Designation, Gross Salary, Net take home salary and Salary banking details OR can be verified through company HR.
- Credit staff personally check through online self-employed segment customer ITR/Acknowledgement status and history.
- Credit staff personally verify TPC

**Policy of Management of delinquent accounts/NPA's**

Sr.no.	Workflow/ Bucket	Sub Workflow / Module	Process Flow	Timeliness (assuming default is at T)
A	30 DPD	Bulk SMS	Mailer to be sent to each customer	T+1
		Telecalling	Calling process to be done by Central Team	T+3
		Follow-up Calling	Calling process to be done by respective branch person	Every alternate day from T+5
B	60 DPD	Bulk SMS	Mailer to be sent to each customer	T+1
		Telecalling	Calling process to be done by Central Team	T+3
		Follow-up Calling	Calling process to be done by respective branch person	Every alternate day from T+5
C	NPA (90 DPD)	Bulk SMS	Mailer to be sent to each customer	T+1
		Telecalling	Calling process to be done by Central Team	T+3

		<b>Follow-up Calling</b>	<b>Calling process to be done by respective branch person</b>	<b>Every alternate day from T+5</b>
		<b>Public Notice</b>	<b>Public notice to be out on customers house</b>	<b>T+10</b>
		<b>Section 138 Notice</b>	<b>Section 138 notice to be sent on mail and physical copy for every pending cases</b>	<b>T+7</b>
		<b>Recall notice</b>	<b>Overdue notice to be sent on mail and physical copy for every pending cases</b>	<b>T+7</b>
		<b>Sarfesi Notice</b>	<b>Sarfesi Notice to be sent to customer</b>	<b>T+60</b>
		<b>Possession Handover Public Notice</b>	<b>Symbolic Possession handover notice to be done in local newspaper</b>	<b>T+90</b>
<b>D</b>	<b>Review</b>	<b>Every Alternate Day</b>	<b>Review to be done of each branch collection person with Collection Manager</b>	<b>Alternate day</b>
		<b>Fortnightly</b>	<b>Review to be done of between Branch Collection Person, Collection Manager &amp; CFO</b>	<b>Every Fortnight Friday</b>

**Negative Profiles:- (Not to be considered)**

- 1) Part time employees
- 2) Politician or person of affiliated to political Parties
- 3) Employee of BIFR Companies
- 4) Plantation / Time share Company
- 5) Multi- Level Marketing (MLM)
- 6) Anti -Social Elements
- 7) Lottery Agencies
- 8) Bar owners/Wine shop owners(family restaurant & bar can be considered)
- 9) Film/TV star (The negative list included all person associated with the film industry whose income/cash flow are linked with the film industry)
- 10) HUF
- 11) Money lenders
- 12) Anti-Social Elements
- 13) Owners of collection agency
- 14) Part time employees (only part time income)
- 15) Security guard
- 16) Collection executive/employees of collection agency
- 17) Employees of courier firms
- 18) Drivers/cleaners with transport firms
- 19) Waiters with small hotels
- 20) Massage Parlor

**Caution Profiles (Can be considered with necessary mitigates- to be approved at the next approval level )**

1. Practicing Lawyers (Practicing in Taxation, Labour law can be considered)
2. Contractors (Govt. & Railway contractors are exempted from this list)
3. Daily wages labor's
4. Real Estate Agent, Builders, Developer & their employees.
5. Employees of call center & BPO (Managerial Grade and above with non-transferable job can be considered)
6. Contractual Employees (other than Govt Employee)
7. Astrologer/Priest/Vastu consultant
8. Security services company
9. Waste scrape Merchants
10. Insurance Agents, experience less than 5 yrs
11. Journalist in Media companies
12. Sport Person
13. Employees of DSA/Verification
14. Diamond Broker/Polisher/Manufacturer
15. Cable operator/Employees/Commission Agents of chit fund/stock broking/commodity
16. Owner of Motor Driving Training school & Its employees/RTO Agents
17. Beauty Parlour , parlour operated from residence (with proper setup will be excluded from the list)

**IHL Pricing Grid**

Sr No	Parameters	Salaried- Bank Credit	Salaried-Cash Salaried	Self Employed- Income proof	Self-Employed- No income proof
A	<b><u>Base ROI</u></b>				
B	<b><u>Additions to Base ROI</u></b>				
1	If Minimum Average Bank balance is less than 1.5 times of EMI				



2	Minimum Work Experience of less than 3 years in same company / Business set up				
3	Financial deviation				
a	One deviation				
b	More than One deviation				
4	Bureau guidelines				
a	Credit score less than 650				
b	Credit score between 650 to 720				
c	No Credit History				
5	No Approved Plan				
6	Technical Deviation				
a	One deviation				
b	More than one deviation				
7	Product Deviation				
a	One deviation				
b	More than one deviation				
C	<u>Deductions to base ROI</u>				
	If LTV loan is 60% or less				
8	Refinance				
a	Sale Deed is executed within 6 months from the date of application				
b	Sale Deed is executed within 12 months from the date of application				
	Upper ROI Cap				
	Lower ROI Cap				

**PD & Approval Matrix::**

Loan Amount	PD Authority
Upto 10.00 Lakhs	Branch Credit Manager (Branch Manager/ Credit Manager is <b>optional</b> )
>10.00 lakhs upto 25.00 lakhs	Branch Credit Manager/Branch GM <b>and</b> Credit Head
Above 25.00 lakhs	Credit Head, Branch GM <b>and</b> Credit committee.

**Please Note:**

**and denotes joint PD**

For all slabs, higher level authority can always be included (from sales and credit both). The indicated matrix is minimum requirement

PD done by Branch Manager alone cannot be accepted if Branch Credit Manager exists in the Branch. Where there is no Branch Credit Manager, PD done by Branch Manager and Tele PD to be mandatorily done by Credit Manager/Credit Officer.

## DEVIATION MATRIX

Deviation Matrix.xlsx

## RISK CALCULATION MATRIX

Risk Matrix.xlsx

## DELEGATION OF POWER:

BRANCH CREDIT MANAGER	L1	UPTO 6.00 Lakhs
CREDIT MANAGER + CREDIT HEAD	L1+L3	Above 6.00 To 12.00 Lakhs
BRANCH MANAGER + CREDIT HEAD	L2+L3	Above 12.00 To 25.00 Lakhs
CREDIT COMMITTEE	L4	Above 25.00 Lakhs

## ANNEXURE 1 :S

Tier I Cities	Other than Tier I Cities
Mumbai/ Chennai/ Pune/ Kolkata/ Delhi/ Ahmedabad/ Hyderabad/Bangalore	

## Internal transfer of loans with or without additional finance

### What includes in internal transfer

- If any underlying asset on which a loan was sanctioned by the company and running with existing customer, and on which a request comes from customer to transfer the loan in the name of other person, then such cases will be called internal transfer of loans.

Internal transfer of loans also will be governed by respective provision of the credit policies with underlying exceptions or overriding effects-

1. LTV ration will be maintained as per RBI master directions applicable to HFCs
2. Search report of particular loan account is mandatory instead of Title Search Report
3. Legal opinion is mandatory through empaneled lawyer
4. Valuation Report is compulsory in internal transfer case
5. Disbursement for the take-over loan to be made directly in favor of the existing loan account of IHLL in such a way that existing loan account will get closed and new loan account will get opened.

6. OCR is mandatory for balance amount up to outstanding amount of loan account (if any waiver than approval is required from designated authority of IHLL)
7. Outstanding Amount of existing loan account should be transfer after execution of sale deed to new borrower
8. Disbursement Kit should be signed by the new borrower in Branch office of IHLL and Confirmation should be mandate by IHLL Member or Branch Manager or IHLL officer

**IMPORTANT POINT TO BE NOTED:-**

**IF ANY SANCTION APPROVAL AND DEVIATION APPROVAL DONE BY L4 LEVEL (DIRECTOR/EXECUTIVE DIRECTOR/MANAGING DIRECTOR) THAN THERE IS NO FURTHER APPROVAL REQUIRED FROM ANY LEVEL AUTHORITIES.** HOWEVER, ALL SUCH SANCTION APPROVAL AND DEVIATION APPROVAL DONE BY L4 LEVEL APPROVER WILL BE PRESENTED TO BAORD IN FORTHCOMING BOARD MEETING FOR THEIR INFORMATION, RECORD AND FURTHER ACTION.