SMFG India Home Finance Company Limited

Process for Collection of Original Security Documents and Release of Charge upon full repayment/settlement/Closure of Loan Account

<u>Process for Collection of Original Security Documents and Release of Charge upon full repayment/settlement of Loan</u>

1. **<u>For release of Original Security Documents:</u>**
   a. Upon full repayment/settlement of loan, to the satisfaction of SMFG India Home Finance Co. Ltd. ("SMFG Grihashakti"), Borrower will be required to approach its nearest SMFG Grihashakti branch and make a request for release of Original Security/Property Documents ("Document(s)") and submit such other documents as required by SMFG Grihashakti.
   <u>Note:</u> Original Security Documents can only be collected from SMFG Grihashakti branch where the borrower submits the Document release request.
   b. SMFG Grihashakti upon receipt of request from the Borrower/s shall process the request and update the Borrower via SMS/Email to collect the documents, once such documents are available at the branch to be handed over to the Borrower/s. Borrower/s shall be required to collect the documents from the branch within a period of 30 days from the date of receipt communication from SMFG Grihashakti. Upon lapse of 30 days, the documents will be returned to the document storage facility and for collection of the documents the Borrower/s will be required to again make a request as per Pt. 1 above. Borrower/s shall be required to submit its KYC documents (like Aadhar Card, Ration card, Driving License, etc.) and execute such documents as may be required by SMFG Grihashakti at the time of hand over of the Documents at the branch.
   c. In cases of death of property owners or in case where the property owner is unable to collect the property documents due to factors outside property owner's control such as medical exigencies, property owner is prohibited to travel to the collect the documents in cases of state imposed restrictions, etc., additional document will be required to be submitted and the process enumerated in the Annexure hereto need to be complied with.

2. **<u>For release of Charge on the Property</u>**
   a. In case of Home Loans/Loan against Property, the Borrower, upon receipt of communication from SMFG Grihashakti to collect the original security documents, will be required to approach the Sub-registrar office where the charge is registered for the purpose of release of charge on the property and take an appointment. The Borrower will have to call and inform SMFG Grihashakti on 1-800 102 1003 of the appointment date. On the appointment date, the Borrower along with SMFG Grihashakti representative to execute requisite charge release documents before the office of sub-registrar.

<u>Note</u>: The Borrower/property owner is required to comply with the process as mentioned in this process document and SMFG Grihashakti shall not be liable to pay any compensation as per RBI notification on Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans dated September 13, 2023 (RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24), where the delay in release of original property documents and removal of charges registered with any registry is not attributable to SMFG Grihashakti and attributable to the Borrower/property owner for non-compliance of this process document, as amended from time to time by SMFG Grihashakti, or to any factor outside reasonable control of SMFG Grihashakti.

Further, SMFG Grihashakti shall not be obligated to release the Documents unless all the loans secured by such property are fully re-payed/settled, to the satisfaction of SMFG Grihashakti.

SMFG Grihashakti

Nayi Asha. Naya Vishwas.

Annexure

Procedure to manage release of original property documents to third parties and documents to be collected while on release

BACKGROUND

There are various scenarios where the property owners will not be able to collect their original property documents post closure of their loan. There might be cases where the property owners are deceased and the legal heir or a third party will have to collect the documents on behalf of the customer.

Person to whom the original property document can be handed over

The Documents can only be handed over to the property owner or his/her legal heirs. However, under certain exigencies, the Documents can be handed over to a third party duly authorized by the property owner. Following are the scenarios wherein the Documents can be handed over to a person other than the property owner:

Scenario 1

a. The property owner is suffering from such medical conditions which prevents the property owner to collect the Documents in-person; or

b. The property owner is prevented from travelling to collect the Documents on account of a lockdown/travel restrictions/similar action by local/state authorities.

In such cases the Documents can be handed over to the legal heir. The legal heir of the property owner needs to submit a request letter along with an authorization letter duly issued by the property owner having the specimen signature of both the property owner and person being authorized there under along with the indemnity bond **(stamp duty paid as applicable in the state)** in SMFG Grihashakti's format. Additionally, the legal heir has to submit a copy of any government document like ration card, Aadhaar Card, OVD's etc. together with a photo ID to establish relation with the property owner.

Where the property owner is outside India and unable to come and collect the documents, the POA & Indemnity must be executed before official of Indian consulate and attested by such official. Applicable Stamp duty on the instruments has to be paid as per the state stamp act once the document is received in India prior to submission of such documents with SMFG Grihashakti. SMFG Grihashakti shall be entitled (not bound) to confirm from the property owner in relation to property owner's instructions to hand over the Documents to its legal heir via call from a recorded line on property owner's registered mobile number as per SMFG Grihashakti's records, and any such telephonic confirmation shall be deemed to be conclusive instruction from the property owner, and SMFG Grihashakti shall not be liable for any liability, loss or damage arising out of acting on such instruction. On confirmation from the property owner to release of Documents to legal heir, SMFG Grihashakti shall hand over the Documents to the legal heir of the property owner.

On confirmation from the property owner to release of Original property documents to legal heir, SMFG Grihashakti shall hand over the Documents to the legal heir of the property owner.

Scenario-2

If the property owner is alive and is not able to collect the Documents due to exceptional cases mentioned in point (b) of Scenario 1, and in the absence of legal heir or co-borrower or co-property owner, the property owner shall be required to furnish a **power of attorney (POA) duly stamped and notarized in favor of such person who is being authorized to collect the Documents together with an indemnity bond** (stamp duty to be paid as applicable in the state) in favour of SMFG Grihashakti, as the case may be. Additionally, the authorized person has to submit a copy of any government document like ration card, Aadhaar Card, OVD's, etc., together with a photo ID.

On receipt of the **Indemnity bond and POA** from the constituted attorney, process listed in **Scenario 1** to be followed to process the release request.

Scenario-3

Assuming that either of the applicant or co-applicant is the property owner and in case a party (either applicant or co-applicant) who is not the property owner wishes to collect the Documents, he/she shall be required to furnish **authorization letter having the specimen signature of both the property owner and person being authorized to collect the original property document along with the indemnity bond (stamp duty to be paid as applicable in the state) in favor of SMFG Grihashakti**. Additionally, the authorized person has to submit a copy of any government document **like ration card, Aadhar Card, OVD's, etc. together with a photo ID**.

Upon receipt of the **authorization letter** and **Indemnity bond** from the constituted attorney, Process listed in Scenario 1 to be followed.

Scenario 4

Release of property document in case of corporate loans (Partnership, LLP, Companies, etc.).

In case the borrower/co-borrower is not an individual and where the property is owned by an individual who is a director, promoter, etc. in their individual capacity, the process updated in Scenario 1 to 3 to be followed as applicable.

In case where the non-individual entity is the owner of the mortgaged property, **a copy of the board resolution from the company or authority letter in line with the Partnership Deed from the firm (as the case may be), on its letterhead shall be required to be furnished which shall bear the signature of the authorized signatory/ies as well as the person authorized to collect the Documents**.

In all cases where Original Property Document shall be handed over to any person other than the property owner, in addition to the **authority letter/board resolution, a copy of such person's government issued identity card (mentioning address) namely Ration card, Aadhar card, Driver's License, Passport, OVD's, etc. has to be submitted.**

Upon receipt of the required documents from the constituted attorney, Process listed in Scenario 1 to be followed.

RELEASE OF DOCUMENTS IN FOLLOWING CASE WOULD REQUIRE ADDITIONAL DOCUMENTS

1. Death case:

In case of death of property owner, documents mentioned below are required to be submitted by the legal heirs of the customer.

a. Request form for release of Documents to persons other than property owner to be signed and submitted by all the legal heirs of the property owner. Where all the legal heirs authorize one of the legal heir to collect the documents, all the other legal heirs must issue a POA (notarized) in favor of the person authorized to act on their behalf;
b. Death Certificate of the property owner;
c. Ration Card copy;
d. Legal heirship certificate issued by relevant authority/district collector;
e. Suitable Notarized Indemnity in favor of SMFG Grihashakti
f. In case where there exists a will of the deceased - Will / Probate / Letter of Administration
g. If there is no Will / Probate / Letter of Administration, then all the surviving legal heirs to execute an Affidavit before the Judicial Magistrate First Class which states they are the only legal heirs of the deceased.

2. Legal Separation:

a. In case SMFG Grihashakti receives copy of legal separation notice from either borrower or co borrower or property owner before matter moves to court, then the Documents shall be released to either borrower or co borrower (if they are property owners) or to the third party property owner(s) as per their unanimous consent. Documents will have to be released in presence of all Borrowers and property owner(s) and all Borrowers and property owner(s) have to sign the acknowledgement.

b. In case of any dispute or ambiguity, the Documents shall be released as per the order of a competent court.

3. Family dispute cases.

a. Documents to be released either to borrower or co borrower or property owner(s) as per their unanimous consent. All borrowers, co borrowers and property owner(s) will have to be present for release of documents and all Borrowers /co-borrowers/ property owner(s) will be required to sign the acknowledgement.

b. In case of no settlement amongst the family members, the Documents shall be released as per the order of a competent court.