

## MOST IMPORTANT TERMS AND CONDITIONS

## SBI – Home Loan

The MITC covers the following Loan Products :

1. SBI Home Loan Scheme
2. SBI Pre-approved Home Loan
3. SBI Yuva Home Loan
4. SBI Max Gain Home Loan
5. SBI Realty Home Loan
6. SBI NRI Home Loan
7. SBI Gram Niwas/Sahyog Niwas/Tribal Plus
8. SBI Green Home Loan

**Purpose for which home loan can be availed:** The loan will be sanctioned for the purpose of purchase / construction / extension / repairs/renovation of new/second-hand residential house/flat/plot of land and furnishings (hereinafter referred to as the 'project').

**Premium of Home Loan Insurance cover (Optional) :** The premium for the optional Home Loan Life Insurance cover (if availed) will be added to the loan amount.

### **Loan to Value Ratio (LTV):**

For loan amount upto Rs.20 Lacs, maximum permissible LTV ratio is 90% of the assessed value of the property. For loan amount greater than Rs.20 Lacs and upto Rs.75 Lacs, maximum permissible LTV ratio is 80%. A maximum permissible LTV ratio of 75% is applicable on a loan amount above Rs.75 Lacs.

### **Rate of Interest:**

#### Floating Rate of Interest: -

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

#### Fixed Rate of Interest:- No Fixed rate option is available now

Interest on the loan will be charged at the prevailing fixed rate of interest on daily reducing balance at monthly rests, subject to interest rate reset at the *end of every two years* on the basis of fixed interest rates prevailing then. State Bank of India (SBI) may at its discretion stipulate the periodicity of computation of interest. Further, SBI may at its sole discretion alter the rate of interest suitably and prospectively in the event of major volatility in interest rates during the period of the agreement. Thenceforth the rate of interest varied as aforesaid shall be applicable to the Loan. SBI shall be the sole judge to determine whether such condition exists or not. If the Borrower is not agreeable to the revised interest rate so fixed, the Borrower can request SBI, within 15 days of receipt of the notice intimating change in interest rates from SBI, to terminate the loan and the Borrower shall repay the Loan and any other amount due to SBI in full and final settlement in accordance with the provisions of the Agreement relating to pre-closure.

#### Calculation of interest:-

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

#### Intimation of change in Interest Rate:-

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

#### Penal interest:-

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

Bounced cheque/ECS or SI dishonours:-

A penalty of Rs 250/- will be charged for every bounced cheque/ECS or SI dishonours. The rate may vary from time to time.

**Repayment:**

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

**Loan Tenor:**

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

Pre-closure Charges:-

*Loans on Fixed and Floating rate of interest:*

No pre-payment/ Pre-closure penalty will be levied on Home Loans irrespective of the period for which the account has run or source of funds.

**Security:**

Primary:-

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

Collateral:-

Liquid securities of adequate value in the form of Life Insurance policies, Government Promissory Notes, shares/ debentures, gold ornaments or such other tangible security as may be deemed appropriate, may be pledged by the customer in lieu of mortgage of the residential property financed by the Bank.

Interim Security Pending Mortgage:-

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

**Utilisation of the loan:**

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

**Insurance:**

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

**Inspection:**

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

**Fees and charges:**

1. Processing fee: Collected at the time of Documentation.

**Concession in processing fee during Special Home Loan Campaign period upto 31.03.2014.**

Processing Fee is flat Rs 1000/- + service tax (Currently at 12.36 %) for all new Home Loans sourced before 31.03.2014 and sanctioned before 30.04.2014

2. Other Fee/Charges:

Reason	Particulars	Fee Amount
Collected for payment to empanelled Advocate/Valuer	Legal Opinion & Search Report	Rs.
	Valuation Fee	Rs.
Collected for Payment to State Govt	Stamp Duty (% of project cost)	%
	Registration Charges (% of project cost)	%
	Other Fee	Rs.
<b>Total</b>		<b>Rs.</b>

Fees paid to Bank's empanelled advocate and valuer for their professional services will not be refunded even if the loan is not sanctioned for any reason

State Bank of India retains the right to alter any charges or fees from time to time or to introduce any new charges or fees, as it may deem appropriate, with due intimation to customer.

3. Conversion charges for switching loan from fixed to floating rate: : Option for switching loan from fixed to floating rate is permissible on payment of 0.56% of the outstandings in the account.

*Fees and Charges are subject to change from time to time at the sole discretion of SBI.*

**Disbursement:**

*The loan will be disbursed only on the following conditions:*

1. All the security documents prescribed have been executed by borrower/co-applicant (s)/ guarantor/s
2. A valid mortgage (equitable or registered if equitable mortgage is not possible) has been created in favour of the Bank as per the laws of the State.
3. Wherever creation of mortgage is likely to be delayed for any valid reason, suitable security including third party guarantee, has been taken for the interim period.
4. The loan will be disbursed in stages where a loan for construction is desired or purchase is through payment to seller in installments.
5. All necessary statutory compliances are in place.

SBI may disburse the quantum of loan in lump sum or in installments at its own discretion depending on the level of construction of the House/Flat as acceptable to SBI.

SBI will disburse loan amount directly to the builder/seller/society as the case may be and as requested / specified/ directed by the customer to SBI at the time of each disbursement. SBI shall not be responsible / liable in any manner whatsoever for any delay by the customer in providing such request/ specification/ direction to SBI and the customer shall not claim any costs, charges and expenses in any relation to any non-disbursal by SBI due to any such delay by the customer.

The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.

**Default:**

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

**Customer Service:**

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

- Calling Customer Help Line Numbers
- Contact Customer Grievance Cell at our Local Head Offices
- Write to Grievance Cell at our Local Head Offices

(Details on Help line Numbers and Grievance Cell available on [www.sbi.co.in](http://www.sbi.co.in))

In case a customer is not satisfied with the handling of grievance by the Local Head Office, a communication may be sent (enclosing the message sent earlier to Local Head Office) to the

**Deputy General Manager (Customer Service),**

**Customer Service Dept, State Bank of India;**

**State Bank Bhawan, 4th floor;**

**Madame Cama Road,**

**Mumbai-400 021,**

**Telephone No. (022) 22029456 , 22029451 22740432, 22740431,22740433**

**Fax no. (022) 22742431.**

**e-mail address - [dgm.customer@sbi.co.in](mailto:dgm.customer@sbi.co.in).**

**Disclosure:**

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