

Frequently Asked Questions under Home Loan

1) Who are eligible to avail the loan?

- (i) Resident Individuals – Salaried / Businessmen / P&SE with minimum period of confirmed service / experience of 3 years
 - (ii) Pensioners
 - (iii) Our Bank Staff
 - (iv) Hindu Undivided Family (HUF)
 - (v) Non-Resident Individuals - gainfully employed abroad (who have put in a minimum period of confirmed service / experience of 2 years - including previous employment / experience and confirmed in the present employment) with a residual contract period of service for at least three more years to run
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2) What are the minimum entry / exit age of the applicant?

Residents:

Minimum entry age is 18 years and Maximum exit age is 70 years.

Non-Residents:

Entry Level: Between 21 and 50 years

Exit Level: Maximum 60 years (can be considered up to 70 years on case to case basis)

3) For what purpose Home Loan can be availed?

- a) to purchase / construct a new house / flat
 - b) to purchase house site and construction of house thereon
 - c) to purchase an existing house / flat
 - d) to extend an existing house/ additional construction
 - e) to repair / renovate an existing house / flat – in such case
 - f) to take over Home Loans from other Banks / Housing Finance Institutions approved by National Housing Bank for Housing Finance.
 - g) for reimbursement of cost incurred for purchase / construction of house / flat - met from own resources during the preceding six months
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4) Income criteria:

a. What are all the income criteria for a salaried class individual to avail Home Loan?

- (i) Generally the income of applicant and the income of his / her spouse are permitted to be added to compute the total income and loan eligibility.
- (ii) Income of Parents / adult Children can also be considered and their income can also be included for loan eligibility / recovery subject to they join as co-applicants to the loan.
- (iii) The total number of such Co-applicants should be generally restricted to three (i.e. one Applicant + three Co-applicants)
- (iv) In case of income of Parents taken for eligibility calculations, NOC from all the Legal heirs to be obtained for considering income of the parents.
- (v) Inclusion of siblings (brothers / sisters) as co-applicants only in case where they also have a stake in the property.

b. What are the income criteria for a Businessman/professionals/self employed persons to avail Home Loan?

- (i) 'Gross income net of tax before deducting depreciation' shall be considered for computing the eligible loan amount based on last three years' IT Returns.

Other Income:

Besides salary / business income, other regular income by way of rent, interest on investments, HUF income (where there are no minor coparceners or where the minor members will not be attaining the majority age during the tenure of the loan) etc., may also be considered to reckon the loan limit, provided proof for the other income by way of declaration in IT Return/Rent receipts/Lease agreement/credit of such income in the applicant's bank account for a reasonable period, etc. are provided by the applicant. If such income from rentals / interest together with regular income exceeds the taxable ceiling, the same should be reflected in IT returns.

(ii) **Specific Exemption from submission of IT returns – sanctioning of loans to Tribal People in Guwahati.**

Exemption from submission of IT returns is available for those borrowers [Tribal people belonging to the States of Arunachal Pradesh, Manipur, Mizoram, Nagaland and Tripura], who are coming under the purview of Section - 10, sub section 26 of Income-tax Act, 1961. Based on the same while processing the Home Loan proposals of the applicants covered under the above section of IT Act, it is permitted to accept Audited Balance Sheet (for Business people) and income certificate issued by competent Government Authorities (for salaried class) as a alternate proof of income instead of IT returns.

5) Whether GST component can be included for loan eligibility?

GST component is applicable while purchase of flat/house from the Developer/Builder i.e., fresh sale upon construction/under construction.

This GST component can be included in the Project Cost and the eligible loan can be considered subject to availability of repayment capacity and LTV.

6) Loan eligibility:

(i) **What is the eligible Loan for the purpose of Purchase / Construction of House Property?**

60 times of Gross Monthly Income subject to availability of 40% Take Home Pay or more than Rs.20000/- after the proposed and ensuring the requisite margin.

In computing the above, 60% of future rental income from the property to be purchased/constructed/owned by the applicant can also be included.

(ii) **Whether OD Limit is available under Home Loans?**

Yes. OD limit shall also be permitted along with Term Loan. The limit shall be permitted upto 30% of the Original Home Loan (Term Loan Portion) upon completion of 3 years, subject to repayment capacity and maintenance of LTV as per the extant guidelines and total Term Loan outstanding portion with OD Limit portion not exceeding the Original Home Loan Limit.

(iii) Whether loan can be provided for carrying out improvements in existing House property?

Yes. Loan amount is based on 36 times of the Gross Monthly Income, subject to a maximum of Rs.300 lakhs (Conditions will apply)

(iv) Whether Home Loan can be availed for carrying out Repairs & Renovations in existing house property?

Yes. Home Loan can be availed for carrying out Repairs & Renovations in existing House Property (Max. amount permitted: Rs.300 lakhs. Conditions will apply)

7) Take Home Pay:

What is the minimum Take Home Pay after cutbacks / deductions (existing & for proposed Home Loan)?

Generally a minimum of 40% on gross monthly income after the cutbacks / deductions towards existing & proposed liabilities is required to be maintained for arriving at loan eligibility. However, the following relaxations are permitted:

a. For Salaried Class & Pensioners:

- (i)** For Loans up to Rs.10 lakhs, if the Net Income after existing and proposed Loan EMI deductions is more than Rs.20,000/-
- (ii)** for Loans above Rs.10 lakhs and if the Net income after existing and proposed Loan EMI deductions is more than Rs.25,000/-

b. For P&SE & Other Individuals (other than Salaried Class/Pensioners)

- If the Net income after the existing and proposed Loan EMI deductions is more than Rs.50,000/-, minimum take home pay of 40% on gross monthly income need not be insisted.

c. Individuals belonging to un-organized sector:

In respect of other individuals (under un-organized sector) – where the annual income does not exceed the exemption limit permitted under Income Tax Act for submission of IT Returns, a Self declared income certificate / Affidavit can be accepted.

8) Whether Home Loan can be availed in Rural Areas?

Yes. Home Loans in rural areas for individuals engaged in agricultural activities / labours where Income Tax Returns / IATO not available for income assessment, a Self declared income certificate / Affidavit can be accepted provided the annual income does not exceed the exemption limit permitted under Income Tax. The property shall be SARFAESI Compliant.

9) Period of loan:

What is the repayment period for Home Loans?

a. Home Loan to Residents:

The maximum repayment period is restricted to 30 years for Home Loan accounts (inclusive of holiday period) (or) Up to the age of 70 years (the age by which the loan should be fully repaid) of the borrower, whichever is earlier.

b. Home Loan to Non-Residents:

Maximum 20 years, including holiday period of 18 months in case of construction of house/ flat. 6 months holiday period in case of purchase of ready-built house/flat on a case to case basis.

c. Home Loan to Repair & Renovation:

Maximum repayment period for Home Loan to Repair and Renovation is 10 years.

10) Whether quantum of Home Loans are linked to Value of the House Property if any, details thereof to be furnished.

Maximum loan amount is also subject to value of the House Property, the details of the same is as follows:

Purpose	Loan amount upto Rs 30 lakhs	Loan amount above Rs.30 lakhs upto Rs.75 lakhs	Loan amount above Rs.75 lakhs
Purchase / construction of house / flat	10% & LTV 90%	20% & LTV 80%	25% & LTV 75%

(For Repairs and Renovation 30% margin on the project cost)

11) What are the KYC Documents required to be submitted by Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs):

- a. Attested copy of valid Passport and Visa in respect of NRIs & Attested copy of valid Passport and PIO Card issued by government of India in respect of PIOs.
- b. Attested copy of Address proof such as Utility Bill, Driving License, ID card, Social Card or equivalent, etc. issued by the Authorities in that Country reflecting the current overseas address or Latest Bank Account Statement showing overseas address.
- c. Attested copy of Appointment Letter, work experience covering minimum period of 2 years, Salary Slips for the latest 6 months, Bank Account Statement for the latest 6 months showing the salary credits and Tax Returns wherever applicable.
- d. Attested copy of Office/Business address proof, P&L A/c, A&L Statement and Schedules to Financial Statements, Operative Bank Account Statement for the latest 6 months for non-salaried customers.

The Attestation of documents may be done by Indian Embassy or Notary Public of that Country or by the competent authority of that Country.