

PROCESS OF LOAN CLOSURE AND RETURN OF PROPERTY PAPERS POLICY

Introduction:

This document outlines the comprehensive process for the closure of loans and the subsequent return of property papers at **FINOVA CAPITAL PRIVATE LIMITED ("Company")**, ensuring compliance with Fair Practice Code. We are committed to maintaining transparency, fairness, and efficiency throughout this process.

❖ Loan Closure Prerequisite and Process:

1. Loan Closure Request:

Customers seeking loan closure must visit the branch with following details:

- Loan Number
- A formal letter requesting the closure of the loan account along with proof of identity (KYC).

Loan Closure Request Number will be issued by the branch upon submission.

2. Customer Care Interaction:

Company customer care team will call after submission, offering further assistance. During this discussion:

- If you wish to continue your relationship with us, the loan closure request will be considered as closed.
- To proceed with the closure, deposit Foreclosure Request charges and obtain a receipt.

Foreclosure Letter ("FC") will be issued post deposit of charges.

3. Foreclosure Amount Payment:

Customer is required to pay the foreclosure amount according to the FC Letter within validity period and as per stipulated conditions therein and obtain a valid receipt.

4. Loan Closure:

The loan will be closed in due course once applicable funds are received/credited, supported by a valid receipt issued by the company.

5. Property Papers Return:

Property papers will be available at customer home branch/ branch requested within 30 days of full repayment/settlement of the amount.

If you prefer to collect property papers from our Head Office, kindly inform us during the loan repayment/closure request.

6. NOC and Release of Lien/Charges:

Along with property papers, a No Objection Certificate (NOC) and a Letter for Release of Lien/Charges will be issued.

❖ **Documents Handover Prerequisite and Process:**

To ensure a seamless and secure handover of property documents, please adhere to the following prerequisites and processes:

1. Visit to Branch:

All property owners are required to personally visit the branch for the collection of documents.

2. KYC Verification:

Please carry the original Know Your Customer (KYC) documents for verification. KYC will be subject to due diligence by the company to maintain the integrity of the process.

3. Signing of Documents:

Each property owner must sign the following documents:

- No Objection Certificate (NOC)
- Vetting Report / List of documents
- Letter Of Release of Equitable Mortgage/ Registered Mortgage/ Removal Of Lien/Withdraw Mortgage Permission Granted In Favour Of Finova Capital Private Limited

4. Document Verification:

Customer Need to Ensure verification of documents at the time of handover of documents by company. Document verification is a crucial step during the handover process. It ensures accuracy and completeness in the transfer of property papers.

❖ **Special Note for Non-Individual Property Owners:**

For property owners who are Non-Individuals, it is imperative to adhere to the following guidelines to facilitate the handover of property papers:

1. Resolution of Appropriate Authority:

A formal resolution from the appropriate authority within the Non-Individual entity is mandatory. This resolution should explicitly state the name of the authorized person designated for the handover of property papers.

2. Authorization Letter Where Resolution Is Not Applicable:

An Authorization Letter, signed by the designated authority mentioned in the resolution, is a prerequisite for the property document handover process.

3. Firm Owners:

In the case of property ownership by a Firm, the presence of all partners during the handover process is mandatory. This collective presence ensures the validity and completeness of the transaction.

These additional requirements are designed to uphold legal standards and maintain the security of property transactions involving Non-Individual property owners.

❖ **Documents Handover Process in Takeover/BT:**

To ensure a smooth transition during the takeover or Balance Transfer (BT) process, please follow the outlined steps:

1. Handover to the Property Owner &/or Repayment Account Holder:

The handover of property papers will take place to property owner and repayment account holder to ensure transparency and authenticity of the transaction.

2. Verification of Property Owners' KYCs:

All property owners/ repayment account holder must carry their original Know Your Customer (KYC) documents. These documents are subject to due diligence by our company.

These meticulous steps are designed to streamline the original property papers handover process and maintain the integrity of crucial transactions such as handover of collateral documents.

❖ **Loan Closure in the Event of Death of Property Owner(s):**

In the unfortunate event of the demise of a customer, the following process is to be observed for the closure of the loan account:

1. For Non-Insured Demised Customers:

In the case of non-insured deceased customers, legal heirs are required to follow the standard closure process mentioned above.

2. Insurance Claim Process:

If the deceased customer is insured, legal heirs must promptly inform the nearest branch and submit the necessary documents to initiate an insurance claim.

3. Lodging of Insurance Claim:

The company will initiate the insurance claim process upon receiving the request from the legal heirs.

4. Adjustment of Insurance Claim:

Upon receipt of the insurance claim amount, it will be duly adjusted in the customer's loan account.

5. Notification of Outstanding Balance:

Legal heirs will be promptly informed of any outstanding balance remaining after the adjustment of the insurance claim amount.

6. Closure of Loan Account:

Once the legal heirs deposit the remaining balance, supported by a valid receipt issued by the company, the loan account will be closed in due course.

7. Timeline for Availability:

Upon the full repayment or settlement of loan amount, property papers will be made available to Property owner/Legal Heirs. Property papers will be accessible to Property owner/Legal Heirs at home branch, within 30 days of the complete repayment or settlement of the loan amount.

This timeframe ensures that we have sufficient time to process and organize the necessary documentation for a smooth handover.

If Customer wish to expedite the process or have specific preferences regarding the branch where he would like to collect property papers, please inform us during the repayment or loan closure request.

This process aims to provide a compassionate and efficient approach during challenging times.

❖ **Documents Handover Prerequisite and Process for Legal Heirs:**

To facilitate a smooth and secure handover of documents to legal heirs, please adhere to the following prerequisites and process:

1. Legal Heir Certificate:

Legal heirs must provide a valid legal heir certificate issued by a local competent authority. Alternatively, documents such as a Ration Card, JAN Aadhaar, or any other document deemed satisfactory by the company are required.

2. Visit to Branch for Document Collection:

All legal heirs, in conjunction with any surviving borrower(s), are required to personally visit the branch for the collection of relevant documents.

3. Original KYCs:

Each legal heir must carry the original Know Your Customer (KYC) documents to facilitate due diligence by the company.

4. Signing of Documents:

All legal heirs are required to sign the following documents:

- No Objection Certificate (NOC)
- Vetting Report / List of documents
- Letter of Release of Equitable Mortgage/ Registered Mortgage/ Removal of Lien/Withdraw Mortgage Permission Granted in favour of Finova Capital Private Limited

5. Document Copy for Legal Heirs:

A copy of the NOC, Vetting Report, and Letter of Lien/Charges will be provided to the legal heirs for their records.

6. Indemnification by Legal Heir(s):

Legal heirs will indemnify the company in the event of any future disputes related to the handover process.

These measures are in place to ensure a legally sound and transparent transfer of documents to the legal heirs.

❖ **Timelines for Return of Papers:**

To ensure a timely and efficient return of property papers, please take note of the following timelines and guidelines:

1. Availability within 30 Days:

Property papers will be made available at your designated branch or the Head Office within 30 days of full repayment or settlement of the loan.

2. Communication of Delay:

In the event of any delay beyond the stipulated timeframe, the reasons for the delay will be communicated to you. This communication may occur through recorded calls or in case call not connected, then registered post will be sent on customer Primary Address, SMS, WhatsApp, or email.

3. Custodian Charges:

Post 30 days from the closure of the loan, custodian charges amounting to Rs 500+GST per month may be applied. This is to cover the costs associated with the safekeeping of documents beyond the initial period.

4. Customer Notification Responsibility:

It is the responsibility of customers to inform company on email id csd@finova.in or contact number 0141-6699999 within 21 days from the request if the property documents are not made available within the stipulated timeframe. Failure to do so may render the customer liable for any delays and their consequences.

5. Procedure for Retrieval:

If, for any reason, you are unable to collect your property papers within 30 days from the date of payment, the papers will be recalled to our Head Office.

To initiate the re-dispatch of your property papers, we kindly request you to raise a fresh request for their delivery.

Additionally, in line with our policies, custodian charges of Rs 500+GST per month may be applicable post 30 days from the loan closure date.

This process is designed to streamline the retrieval of your property papers and to ensure their secure handling.

❖ Loss/Damage to Original Property Documents:

To address the unfortunate circumstance of loss or damage to original property documents, please take note of the following procedures and considerations:

1. Assistance for Duplicate/Certified Copies:

In the event of loss or damage to property documents before handover, the company is committed to assisting you in obtaining duplicate or certified true copies. The associated costs will be covered by the company.

2. Customer Cooperation:

Customers are kindly requested to cooperate fully in the process of obtaining duplicate or certified true copies of the property documents. Timely cooperation is crucial to expedite the resolution.

3. Company's Liability Limitation:

The company shall not be held liable for compensation or losses arising from delays or non-cooperation on the part of the customer. It is imperative that customers actively engage and cooperate in the process.

4. Exclusion of Delays Attributable to Authorities:

Delays in obtaining duplicate or certified copies due to actions or inactions of government authorities or local bodies will be excluded when calculating the overall delay. The company cannot be held responsible for delays caused by external entities.

These guidelines are established to streamline the process of document recovery, and your cooperation is vital in ensuring a successful resolution.

❖ Force Majeure Clause:

In recognition of unforeseen circumstances that may impact our ability to fulfill obligations, please be aware of the following force majeure clause:

1. Force Majeure Events Defined:

The term "Force Majeure Events" refers to events or circumstances that are beyond the reasonable control of the company and may include, but are not limited to, acts of nature, such as fire, flood, earthquake, elements of nature, or acts of God; acts of state; strikes; acts of war; terrorism; riots; civil disorders; rebellions; or revolutions; quarantines; pandemic; embargoes; and other similar governmental actions.

2. Company's Liability Limitation:

The company shall not be held liable for any failure or delay in the performance of its obligations if such failure or delay is caused by a Force Majeure Event.

3. Notification Requirement:

In the event of a Force Majeure Event, the affected party will promptly notify the other party, providing reasonable detail of the Force Majeure Event and informing the estimated period during which such failure or delay is expected to continue.

This clause is designed to acknowledge and address circumstances beyond the company's control.

❖ Policy Clarification:

For any assistance or clarification, contact us at 0141-6699999 or email csd@finova.in.