

## General Terms & Conditions for Loans

**ARTICLES OF AGREEMENT** is made on this the \_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ BETWEEN Can Fin Homes Limited, a Company, registered under the Companies Act, 1956, and having its registered office at 29/1, Sir. M N Krishna Rao Road, Lalbagh West, Basavanagudi, Bangalore - 560 004, hereinafter called "CFHL" (which expression shall unless the context otherwise requires, include its attorneys, successors and assigns) of the one part; AND (1) Mr./ Mrs. \_\_\_\_\_ S/O./W/O./D/O. \_\_\_\_\_ AGED ABOUT \_\_\_\_ YEARS (2) Mr./ Mrs. \_\_\_\_\_ S/O./W/O./D/O. \_\_\_\_\_ AGED ABOUT \_\_\_\_ YEARS residing \_\_\_\_\_ at \_\_\_\_\_ (represented by their duly constituted Power of Attorney Mr./Mrs \_\_\_\_\_ residing at \_\_\_\_\_) hereinafter called "the borrower" (which expression shall unless the context otherwise requires, include his/her/their heirs, executors, administrators, successors and permitted assigns) of the Other part:

### **ARTICLE 1: DEFINITIONS**

1.1 In this Agreement unless the context otherwise requires:

(a) The term "Property" means a site or a piece of land, a residential house or a dwelling unit of any size and type and includes a bungalow, an ownership apartment, a flat, a row house, etc., which is more fully described in the schedule.

(b) The term "Schedule" means the schedule written after Article 10.

(c) The term "loan" means the loan amount provided for in Article 2.1 of this Agreement and the Schedule.

(d) The term "repayment" means the repayment of the principal amount of loan, interest thereon, overdue interest on delayed installments, commitment and/or any other charges, premium, fees or expenses incurred by CFHL in securing the loan as intended by the borrower, cost, expenses or charges directly or indirectly incurred/imposed by CFHL on account of changes made applicable to the loan of the borrower as per the guidelines/directions issued by the statutory or regulatory authorities, with prospective or retrospective effect, expenses incurred in recovery of the loan liability from the borrower, other dues payable in terms of this Agreement to CFHL and means in particular, amortization provided for in Article 2.6 of this Agreement.

(e) The term "pre-payment" means premature repayment in part as per the terms and conditions laid down by CFHL in that behalf and in force at the time of prepayment.

(f) The expression "rate of interest" means the rate of interest referred to in Article 2.2.

(g) The expression "Equated Monthly Installment"(EMI) means the amount of monthly payment necessary to amortize the loan with interest over the period of the loan.

(h) The expression "Pre Equated Monthly Installment Interest" (PEMI) means the interest at the rate indicated in Article 2.2 on the loan from the date /respective dates of disbursement to the date immediately prior to the date of commencement of EMI.

(i) The expression "Variable Interest Rate" or "VIR" means the interest rate determined by CFHL based on the Customer Credit Risk Assessment Score (CCRAS) of the borrower and the Prime Lending Rate of CFHL from time to time and applied by CFHL with Spread/discount which remains unchanged during the tenure subject to the reset clause and to the risk rating as mentioned in the loan sanction letter and as detailed in the Fair practice code (FPC), if any, as may be decided by CFHL, on the loan of the borrower pursuant to this agreement.

(j) The expression "Variable Rate Loan Scheme" or "VLS" means the scheme wherein the rate of interest payable by the borrower for his/her loan shall vary in terms of variation in the "Variable Interest Rate" and the appropriation of EMIs shall be made in the month following the month in which variation is affected. CHFL's "right to reset": The expression "Reset" means re-fixing the interest rate after the expiry of the anniversary period as mentioned in the loan sanction letter.

(k) The expression "Prime Lending Rate" which is hereinafter called as "Can Fin Homes Lending Rate" or "CFHLR" means the interest rate determined/announced by CFHL from time to time as its prime lending rate.

(l) The expression "Customer Credit Risk Assessment Score" (CCRAS) - The expression "Customer Credit Risk Assessment Score" means the score/rank scored by the applicants/borrowers based on the credit/risk profile which would be based on various parameters viz., occupation, present position, age, educational qualification, no. of years of service, bank dealings, CIBIL Scoring, Income installment ratio, other income, prime security, additional security, mode of repayment, networth etc. of the applicant/s or borrower/s, which will be determined by CFHL from time to time.

(m) The expression "VIR Application Date" means the date on which VIR is applied by CFHL on the loan of the borrower in terms of this Agreement.

1.2 The term "borrower" wherever the context so requires shall mean and be construed as "borrowers" and the masculine gender wherever the context so requires shall mean and be construed as the feminine gender.

1.3 The terms and expressions not herein defined shall where the interpretation and meaning have been assigned to them in terms of the General Clauses Act, 1897, have that interpretation and meaning.

## **ARTICLE 2: LOAN, INTEREST etc.**

### 2.1 Amount of loan

The borrower agrees to borrow from CFHL and CFHL agrees to lend to the borrower a sum as stated in the Schedule on the terms and conditions herein set forth. The sanction letter issued by CFHL to the Borrower with the basic terms and conditions of the loan shall be a part and parcel of this agreement.

### 2.2 Interest

(a) The rate of interest is applicable to the said loan as mentioned in the loan sanction letter. Thereafter, it is CHFL's right to reset the rate of interest linked to "Customer Credit Risk Assessment Score"(CCRAS) and PLR (Prime lending rate)/ CFHLR/prevaling market conditions. Such reset will be applicable after completion of 12 months /anniversary period from the date of disbursement and thereafter each 12 months from the date of such reset.

(b) If before the reset date (i.e. before completion of 12 months from the date of the prevailing interest rate as applied), the borrower desires to reset the rate of interest as per the ongoing rate offered by the company subject to the risk rating, he/she is liable to pay interest adjustment charges (IAC) as mentioned in the fair practice code (FPC) as on the date of reset.

(c) The borrower shall reimburse or pay to CFHL such amount as may have been paid or payable by CFHL to the Central or State Government on account of any tax/charges levied by the Central or State Government or any other Statutory/Regulatory authorities etc. on the loan amount, interest (including PEMII) and/or such other amounts. The payment or reimbursement of such amount shall be made by the borrower as and when called upon to do so by CFHL.

### 2.3 Computation of interest:

EMI is calculated on the basis of monthly rests. The EMI comprises of principal and interest calculated on the basis of rate of interest mentioned in the schedule and computed as specified hereunder. Interest and any other charges shall be computed on the basis of a year of three hundred and sixty days. CFHL may at its discretion vary the basis of the year or the periodicity of computation of interest.

The EMIs will be appropriated at the end of every month taking into consideration the variation in the interest rates during the previous month, at the sole discretion of CFHL. Provided all future/further VIRs applicable for the amount of loan agreed to be lent by CFHL to the borrower shall be applied by CFHL on monthly basis with the first such application to be done on the first day of the succeeding month following the month in which, the one month period computed from the date of the first disbursement of the loan is completed or, CFHL varies the rate of interest, whichever is later. Provided further that the VIR prevailing on the VIR Application Date shall be applied as follows:

(a) In the event of the borrower having already commenced payment of EMI before the beginning of the month in which CFHL has revised the CFHLR, on the outstanding principal amount of the loan as at the beginning of the immediate succeeding month

(b) In the event of the borrower not having commenced the payment of EMI, on the total amount of the loan drawn prior to revision of CFHLR by CFHL, and

(c) In the event of the borrower having commenced payment of EMI in the month in which CFHL has revised CFHLR, on the total loan amount lent by CFHL.

Explanation: In the events (a) and (c) above any pre-payment/s made by the borrower during the financial year shall be taken into consideration.

#### 2.4 Details of disbursement

The loan shall be disbursed in one lump sum or in suitable instalments, to be decided by CFHL with reference to Borrower/s request and/or progress of construction (which decision shall be final and binding on the borrower). Disbursement of the sanctioned loan can be made by CFHL by direct payment to the vendors/builders/suppliers of the property/materials as the case may be. The borrower hereby acknowledges the receipt of the loan disbursed.

#### 2.5 Mode of disbursement

(a) All payments to be made by CFHL to the borrower under or in terms of this Agreement shall be made by cheque duly crossed and marked "A/c Payee Only" and the collection charges, if any, in respect of all such cheques will have to be borne by the borrower and the interest on CFHL loan will begin to accrue in favour of CFHL as and from the date of delivery/dispatch of the cheque irrespective of time taken for transit/collection/realization of the cheque by the borrower or his bank or the beneficiary/ recipient.

(b) Further the borrower hereby authorizes CFHL to disburse/make payment of the amounts payable by CFHL in terms of this Agreement by Electronic Clearing System (ECS) and the interest on the loan will begin to accrue in favour of CFHL from the date of transfer/debit.

#### 2.6 Amortization

(a) Subject to Article 2.2 and the provision for variation of interest rates etc. contained in this Agreement the borrower will amortize the loan as stipulated in the Schedule subject however, that in the event of delay or advancement of the disbursement for any reason whatsoever, the date of commencement of EMI shall be the first day of the month following the month in which the disbursement of the loan will have been completed and consequently the due date of payment of the first EMI shall in such a case be the last day of the following month.

(b) In addition to (a) above, the borrower shall pay to CFH PEMII, if applicable.

(c) In order to make the repayment by the borrower to CFHL easy and convenient, the borrower may use Electronic Clearing System (ECS) for amortization/repayment of EMI, interest and other charges by registering mandate with the borrower/s's banker/s.

(d) Notwithstanding what is stated in Article 2.6(a) above and in the Schedule, CFHL shall have the right at any time or from time to time to review and reschedule the repayment terms of the loan or of the outstanding amount thereof in such manner and to such extent as CFHL may in its sole discretion decide. In such event/s the borrower shall repay the loan or the outstanding amount thereof as per the revised Schedule as may be determined by CFHL in its sole discretion and communicated to the borrower by CFHL in writing.

(e) Save and except as provided under sub-article (f) below, the EMI amount is intended to be kept constant irrespective of variation in the VIR and as a result of this the number of EMIs is liable to vary. No intimation shall be given by CFHL as to the number of EMIs required to be paid by the borrower upon each VIR application. Provided however, the information as to the applicable/ applied VIR during the financial year of CFHL and the number of EMIs payable from the last year application during such year shall be intimated by CFHL to the borrower annually. The borrower shall pay EMIs until the loan together with interest is paid in full.

(f) Notwithstanding anything to the contrary contained in this agreement, having regard to the VIR for the time being, CFHL shall be entitled to increase the EMI amount suitably if :

(i) the said EMI would lead to negative amortization (i.e. EMI not being adequate to cover interest in full), and /or

(ii) the principal component contained in the said EMI is inadequate to amortize the loan within the stipulated repayment period fixed for the loan by CFHL for any reason whatsoever, unless extension of time is specifically permitted with such terms and conditions by CFHL at its sole discretion.

(iii) the borrower makes a specific request.

The borrower shall be required to pay such increased EMI amount and the number thereof as decided by CFHL and intimated to the borrower by CFHL.

(g) CFHL may vary its CFHLR from time to time in such manner including as to the loan amounts as CFHL may deem fit in its own discretion.

(h) The borrower shall of his own accord send to CFHL a statement of his income, every year from the date hereof. However, CFHL shall have the right to require the borrower to furnish such information/documents concerning his employment, trade, business or profession at any time and the borrower shall furnish such information/documents immediately.

2.7 Delay in payment of EMI etc.

(a) No notice, reminder or intimation will be given to the borrower regarding his obligation to pay the EMI or PEMII regularly on due date. It shall be entirely his responsibility to ensure prompt and regular payment of EMI or PEMII.

(b) The delay in payment of EMI or PEMII shall render the borrower liable to pay additional interest as per the rules of CFHL in that behalf as in force from time to time. The rate of interest on overdue payments is as stated in the schedule.

2.8 Re-imbusement of actual out of pocket expenses and other charges. The out of pocket expenses incurred by CFHL for the following has to be re-imbursed by the borrower whenever called for by CFHL.

(a) Expenses incurred in securing the loan as intended by the borrower/s under Article 3 of this Agreement.

(b) Expenses incurred in obtaining encumbrance certificate or khata extract or any other certified copies of the documents in respect of the property intended to be mortgaged/already mortgaged by the borrower or provided by the borrower/s as collateral security, for the purpose of ensuring the clear marketable title of the borrower/s.

(c) Expenses incurred in getting the documents, executed by the borrower/s and guarantors, scrutinized from the advocate, on default committed by the borrower/s in repayment, at the discretion of CFHL.

(d) Penal Interest @ 2% charged, from the date of final disbursement/registration till the actual receipt of original sale deed/document, in case of failure on the part of borrower/s to obtain the final sale deed/document from the sub-registrar's office beyond due date, i.e., 30 days of registration.

(e) Expenses incurred in inspecting the property by CFHL through its agents and/or expenses incurred in getting the valuation of property done through the panel valuer of CFHL during the pendency of the loan.

(f) Expenses incurred by CFHL in recovery of overdue installments from the borrower/s and for realization of out station cheques of the borrower/s during the pendency of the loan.

(g) Expenses incurred in transferring the loan files of the borrower from one branch to another of CFHL, at the request of the borrower for his convenience or without any specific request of the borrower for the purpose of filing suit or for filing of execution petition for the purpose of recovery of the entire loan liability.

(h) Such other charges or expenses incurred by CFHL in the process of any litigations either between CFHL and the borrower/s, guarantor/s or between the Borrower/s and/or guarantor/s with other Banks/ Institutions/

Government authorities etc. , wherein CFHL has been made as a party to the suit by the plaintiff or where it becomes necessary for CFHL to implead itself as one of the plaintiff or defendant to prove its right or interest against the borrower/s, guarantor/s, the property mortgaged or intended to be mortgaged by the borrower/s as prime or collateral security.

(i) Expenses incurred by CFHL in the process of recovery of the loan liability under SARFAESI Act 2002.

(j) Such other charges and expenses incurred by CFHL, directly or indirectly, towards this loan.

(k) The loss or additional monetary burden, if any, incurred by CFHL on account of this loan due to reduction in rate of interest on the basis of credit risk assessment of the borrower or for any other reason whatsoever or due to changes in any method of accounting or scheme as per the guidelines/directions issued by the Regulatory or Statutory authorities or such other authorities.

If the borrower fails to reimburse or pay to CFHL any of the above charges or expenses, when called upon to do so, then CFHL can debit the loan account to the extent of such payment due and recover the same out of the immediate next EMI falling due and payable by the borrower to CFHL or at such other appropriate time as CFHL deems fit.

#### 2.9 Pre-payment

CFHL may, in its sole discretion and on such terms as to pre-payment charges, etc. as it may prescribe, permit acceleration of equated monthly installments or pre-payment at the request of the borrower. In such an event the loan can be repaid in part or in full on payment of pre-payment charges subject to the prepayment norms of CFHL prevailing at the time of such pre-payment.

#### 2.10 Terminal dates for disbursement

Notwithstanding anything to the contrary contained herein, CFHL may cancel further disbursements of the loan if the loan shall not have been fully drawn within 3 months/14 months/36 months from the date of letter of offer in case of purchase and/or construction of the property as the case may be. In such an event CFHL may call upon the borrower to commence payment of EMIs for repayment of the loan.

#### 2.11 Alteration and re-scheduling of equated monthly installment

If the loan is not totally drawn by the borrower within a period of 3 months/14 months/24 months/36 months in case of purchase/construction/flat under construction/composite loan for purchase of land and construction thereon respectively, from the date of letter of offer the EMI may be altered and re-scheduled in such manner and to such extent as CFHL may, in its sole discretion, decide and the repayment will be made as per the said alteration and re-scheduling notwithstanding anything stated in Article 2.6 and the Schedule.

#### 2.12 Liability of borrowers to be joint and several

The liability of the borrowers to repay the loan together with interest etc., and to observe the terms and conditions of this agreement and any other agreement/s, document/s that may have been or may be executed by the borrower with CFHL in respect of this loan or any other loan or loans is joint and several.

2.13 Upon the borrower opting for any scheme or accepting any offer from his employer providing for any benefit for resigning or retiring from the employment prior to superannuation, or upon the employer terminating his employment for any reason or upon the borrower resigning or retiring from the service of the employer for any reason whatsoever, then notwithstanding anything to the contrary contained in this agreement or any letter or document, the entire outstanding principal amount of the loan as well as any outstanding interest and other dues thereon, shall be payable by the borrower to CFHL from the amount or amounts receivable by him from the employer under such scheme or offer, or any terminal benefit, as the case may be. Provided however, in the event of the said amount or amounts being insufficient to repay the said sums to CFHL in full, the unpaid amount remaining due to CFHL shall be paid by the borrower in such manner as CFHL may in its sole discretion decide and the payment will be made by the borrower accordingly notwithstanding anything stated in Article 2.6 and the Schedule. The borrower hereby irrevocably authorizes CFHL to communicate with and receive the said amounts from his employer directly.

### **ARTICLE 3: SECURITY**

3.1 Security for the loan by mortgage or charge of the schedule property and/or borrower's interests therein: The borrower agrees and undertakes that the principal sum of the loan, interest, commitment and other charges and any other dues under this Agreement shall be secured in such manner including by mortgage of the property described in the Schedule (hereinafter referred to as 'property') and CFHL shall have the right to decide, in its sole discretion, the type of mortgage including the manner of its creation, or any other or alternate security and/ or additional security, it may require and the borrower shall create the mortgage/security accordingly and furnish any such alternate or additional security as decided by CFHL.

(a) The borrower agrees and gives his consent to CFHL for converting the mortgage securities given by him to tradable securities and for being sold and for obtaining any loan on the securities offered by the borrower, but without prejudice to his right of redemption of the mortgage.

(b) The borrower will have no objection for CFHL creating a charge over the property for which the loan is advanced by way of security in favour of National Housing Bank (NHB) Commercial Banks, Financial Institutions and also permission of the borrower as a mortgagor to CFHL as a mortgagee, to transfer its interest in the immovable property mortgaged, to NHB as security.

(c) Borrower confirms that the property intended to be mortgaged by him in favour of CFHL has a clear, valid and marketable title free from reasonable doubts & encumbrances and further indemnifies and keeps CFHL saved and harmless against any risks whatsoever.

3.2 The borrower shall comply with the following:

(a) To deposit such title deeds, documents, reports, evidence etc. which are already in the custody or which will come to the custody of the borrower for creation of security and as may be required by CFHL, whenever called for by CFHL.

(b) To execute a money bond or a pro-note in favour of CFHL for the amount of loan, whenever called by CFHL.

(c) To execute any such agreement/s, document/s, undertaking/s that may be required now or hereafter at any time during the pendency of this loan or any other loan or loans granted by CFHL hereafter.

### **ARTICLE 4: CONDITIONS PRECEDENT TO DISBURSEMENT OF THE LOAN**

4.1 (a) Utilization of Borrower's Contribution

The borrower assures CFHL that he had, prior to receiving the disbursement of the loan this day as aforesaid invested the entire differential margin money for purchase or construction of the said property, as the case may be.

(b) Title

The borrower assures CFHL that he has absolute, clear and marketable title to the property to be mortgaged by him as security for the loan and that the said property is absolutely unencumbered and free from any liability whatsoever.

4.2 Other conditions for disbursement

The obligation of CFHL to make any disbursements under the loan agreement shall be subject to the conditions that;

(a) Non-existence of event of default.

No event of default as defined in Article 7 shall have happened.

(b) Evidence for utilization of disbursement.

Such disbursement shall, at the time of request therefore, be needed immediately by the borrower for the purpose of purchase or construction of the property, as the case may be, and the borrower shall produce such evidence of the proposed utilization of the proceeds of the disbursement as is found satisfactory by CFHL and an approved plan and agreement with contractor/agreement to sell shall be produced.

(c) Extraordinary circumstances

No extra ordinary circumstances shall have occurred which shall make it improbable for the borrower to fulfill his obligations under this Agreement.

(d) Utilization of prior disbursement

The borrower shall have satisfied CFHL about the utilization of the proceeds of any prior disbursements.

(e) Pending legal proceedings

The borrower shall have furnished a declaration to the effect that there is no action, suit, proceedings or investigation pending or to the knowledge of the borrower threatened by or against the borrower before any Court of Law or government authority or any other competent authority which might have a material effect on the financial and other affairs of the borrower or which might put into question the validity or performance of this loan agreement or any of its terms and conditions.

**ARTICLE 5: GENERAL COVENANTS**

5.1 Particular affirmative covenants

(a) Utilization of loan

The borrower shall utilize the entire loan for the purchase/construction of the property as indicated by him in his loan application and for no other purpose whatsoever.

(b) Construction

The borrower covenants that he shall complete the said construction as indicated by him in his loan application or otherwise and obtain and produce to CFHL a proper completion certificate issued by the concerned Municipal Corporation or Municipality.

(c) Notify causes of delay

The borrower shall promptly notify any event or circumstances which might operate as a cause of delay in the commencement or completion of the construction.

(d) Maintenance of property

The borrower shall maintain the property, in good order and condition and will make all necessary repairs, additions and improvements thereto during the pendency of the loan.

(e) To notify change in employment etc.

The borrower shall notify any change in his employment, business or profession within seven days of the change.

(f) Compliance with rules and payment of maintenance charges etc.

The borrower shall duly and punctually comply with all the terms and conditions of the holding of the property and all the rules, regulations, bye-laws etc. of the concerned Co-operative society, association, Limited Company or other competent authority and pay such maintenance and other charges in respect of the said property or the use thereof.

(g) Insurance

Notwithstanding what is herein before stated the borrower shall be vigilant and shall see that the property is always duly and properly insured against fire and other hazards, CFHL during the pendency of the loan and produce evidence thereof to CFHL each year and whenever called upon to do so and CFHL should be made beneficiary under the policy till the loan is cleared.

(h) Loss/damage by uncovered risks

The borrower shall promptly inform CFHL of any loss/damage to the property which the borrower may suffer due to any force majeure or act of god, such as earthquake, flood, storm, tempest or typhoon etc., against which the property may not have been insured.

5.2 Notify addition or alterations

The borrower shall notify and furnish details of any additions to or alterations in the property which might be proposed to be made during pendency of the loan.

### 5.3 CFHL's right to inspect

The borrower agrees that CFHL or any other person authorized by it shall have free access to the property for the purpose of inspection/or supervising and inspecting the progress of construction and the accounts of construction to ensure proper utilization of the loan.

### 5.4 Negative covenants

Unless CFHL expressly otherwise agree:

(a) Possession: The borrower shall not let out or otherwise howsoever part with the possession of the property or any part thereof.

(b) Alienation: The borrower shall not sell, mortgage, lease, surrender or otherwise howsoever alienate the property or any part thereof.

(c) Agreements and arrangements: The borrower shall not enter into any agreement or arrangement with any person, institution or local or Government body for the use, occupation or disposal of the said property or any part thereof during the pendency of the loan.

(d) Change of land use: The borrower shall not change residential use of the property. If the property is used for any purpose other than residential purpose, in addition to any other action which CFHL might take, CFHL shall be entitled to charge, in its sole discretion such higher rate of interest as it might fix in the circumstances of the case.

(e) Merger: The borrower shall not amalgamate or merge his property with any other adjacent property nor shall he create any right of way or any other easement on the property.

(f) Surety or guarantee: The borrower shall not stand surety for anybody or guarantee the repayment of any loan or the purchase price of any asset.

(g) Leaving India: The borrower shall not leave India for employment or business or for a long term stay abroad without fully repaying the loan then outstanding together with interest and other dues and charges including prepayment charges as per the rules of CFHL then in force.

### 5.5 Appropriation of receipts

Notwithstanding anything to the contrary contained herein and/or any security documents, the borrower agrees, declares and confirms that any payment made by the borrower to CFHL shall, unless otherwise decided by CFHL at its own description, be appropriated by CFHL in the manner following:

(a) Firstly, towards costs, charges, incidental expenses and other moneys, due and payable or becoming due and payable to CFHL;

(b) Secondly, towards interest on overdue EMIs/PEMIs due and payable to CFHL;

(c) Lastly, towards repayment of the amount of any EMIs/PEMIs due and payable to CFHL;

all the aforesaid amounts having become due and payable and/or becoming due and payable by the borrower to the lender under this Agreement and/or under any of the security documents executed between the borrower and the lender whether the recovery thereof has or has not become barred by any law in force for the time being as to the limitation of suits.

### 5.6 Change in address

The borrower shall inform CFHL forthwith as regards any change in his address for service of notice.

## **ARTICLE 6: BORROWER'S WARRANTIES**

6.1 The borrower hereby warrants and undertakes to CFHL as follows:

(a) Confirmation of loan application

The borrower confirms the accuracy of the information given in his loan application made to CFHL and any prior or subsequent information or explanation given to CFHL in this behalf.



(b) Disclosure of material changes

That subsequent to the said loan application there has been no material change which would affect the purchase/construction of the property or the grant of the loan as proposed in the loan application.

(c) Charges and encumbrances

That there are no mortgages, charges, leis pen dens or liens or other encumbrances or any rights of way, light or water or other easements or right of support on the whole or any part of the property of the borrower.

(d) Litigation

That the borrower is not a party to any litigation of a material character and that the borrower is not aware of any facts likely to give rise to such litigation or to material claims against the borrower.

(e) Disclosure of defects in property

That the borrower is not aware of any document, judgment or legal process or other charges of any latent or patent defect affecting the title of the property or of any material defect in the property or its title which has remained undisclosed and/or which may affect CFHL prejudicially.

(f) Public schemes affecting the borrower's property

That the borrower's property is not included in or affected by any of the schemes of Central/State Government or of the improvement trust or any other public body or local authority or by any alignment, widening or construction of road under any scheme of the Central/state Government or of any Corporation, Municipal Committee, Gram Panchayat, etc.

(g) Infringement of local laws:

That no suit is pending in the Municipal Magistrate's Court or any other Court of Law in respect of the property mortgaged with CFHL nor has the borrower been served with any notice for infringing the provisions of the Municipal Act or any Act relating to local bodies or Gram Panchayats or Local authorities or with any other process under any of these Acts.

(h) Disclosure of facts:

That the borrower has disclosed all facts relating to his property to CFHL and has made available to them all the title deeds in his possession.

(i) Due payments of public and other demands:

That the borrower has paid all public demands such as Income Tax and all other taxes and revenues, payable to the Government of India or to the Government of any State or to any local authority and that at present there are no arrears of such taxes and revenues due and outstanding.

(j) It shall be the borrower's obligation to keep himself acquainted with the rules of CFHL, herein referred to, in force from time to time.

## **ARTICLE 7: REMEDIES OF CFHL**

If one or more of the events specified in this article (herein after called "events of default") shall have happened then CFHL, may at its sole discretion, by written notice to the borrower may declare the principle of and all accrued interest on the loan that may be payable by the borrower under or in terms of this agreement and/or any other agreements, documents subsisting between the borrower and CFHL as well as any other charges and dues to be due and upon such declaration the same shall become due and payable forthwith and the security constituted herein in relation to all loans shall become enforceable, notwithstanding anything to the contrary in this agreement or any other agreement/s or documents.

### **7.1 Events of default**

(a) Payment of dues

Defaults shall have occurred in payment of equated monthly installments as provided for in Article 2.7(a), in payment of PEMII provided for in Article 2.7(b) and in payment of any other amounts due and payable to CFHL in terms of this agreement or any other agreement/s or document/s that may be subsisting or that may be executed between the borrower and CFHL hereafter.

(b) Performance of covenants

Default shall have occurred in the performance of any other covenants, conditions, representations, warranties, guarantees or agreements on the part of the borrower under this agreement or any other agreement between the borrower and CFHL in respect of this loan and/or any other loan and such default shall have continued over a period of 7 days after notice thereof shall have been given to the borrower by CFHL, or if the borrower fails to inform CFHL of the happening of any event of default..

(c) Supply of misleading information

Any information given by the borrower in his loan application to CFHL for financial assistance is found to be misleading or incorrect in any material respect or any warranty referred to in Article 6 is found to be incorrect.

(d) Inability to pay debts

If there is reasonable apprehension that the borrower is unable to pay his debts or proceedings for taking him into insolvency have been commenced.

(e) Depreciation of security

If the property agreed to be given as security depreciates in value to such an extent that in the opinion of CFHL further security to the satisfaction of CFHL should be given and such security is not given, in spite of being called upon to do so.

(f) Sale or disposal of property

If the borrower's property which is agreed to be given as security for the loan is sold, disposed of, charged, encumbered or alienated.

(g) Attachment or distraint on Mortgaged properties

If an attachment or distraint is levied on the mortgaged property / agreed to be mortgaged or any part thereof and/or certificate proceedings are taken or commenced for recovery of any dues from the borrower.

(h) Failure to furnish information/documents

If the borrower fails to furnish information/documents as required by CFHL under the provisions of Article 2.7 (g) of this Agreement.

(i) Failure to create security

If the borrower fails to create security as provided under Article 3 of this Agreement.

(j) Non-payment/ non-renewal/ non delivery of cheques

If a cheque in respect of any monthly payment is not paid on the date thereof or where any such cheque is not renewed before the date of its payment, or if the borrower fails to deliver postdated cheques in accordance with the terms of sanction of the loan by CFHL or as and when demanded by CFHL.

(k) Failure to deliver balance conformation

If the borrower fails to confirm the balance confirmation of this loan, as and when required by CFHL, within 10 days of such requisition.

(l) Security becomes unenforceable

If any security or guarantee created or agreed to be created in favour of CFHL by the borrower becomes unenforceable or in fructuous or is challenged by the borrower or any other person.

(m) Cross default

If the borrower makes the default under any loans or credit facilities with CFHL or any other housing finance company or NBFCs or Banks etc.

(n) Short payment

If the borrower makes payment, which falls short of the payment required to be made by the borrower with respect to the amount due from the borrower to CFHL.

(o) Death of the borrower

If the borrower dies.

(p) Irregularity or Fraud

If the borrower is directly or indirectly involved in any irregularity or fraud and induced CFHL to release the loan on misrepresentation or facts. In such an event borrower shall be responsible for all losses on his/her account and that if the borrower acts without reasonable care and this causes loss, the borrower will be responsible for the same.

7.2 Bankruptcy or insolvency

If the borrower shall become bankrupt or insolvent, the principal of and all accrued interest on the loan and any other dues shall there upon become due and payable forthwith, anything in this Agreement to the contrary notwithstanding.

7.3 Notice to CFHL on the happening of an event of default

If any event of default or any event, which after the notice or lapse of time or both would constitute an event of default shall have happened, the borrowers shall forthwith give CFHL notice thereof in writing specifying such event of default, or such event.

7.4 Expenses of preservation of Assets of the borrower & of collection

All reasonable costs incurred by CFHL after an event of default has occurred in connection with:

(i) Preservation of the borrower's assets or

(ii) Collection of amounts due under this agreement may be charged to the borrower and reimbursed as CFHL shall specify.

7.5 Issuance of certificates

CFHL may issue any certificate as regards payment of any amounts paid by the borrower to CFHL in terms of this agreement only if the borrower has paid all amounts due under the Agreement to CFHL and the borrower has complied with all the terms of this Agreement.

7.6 Communication with third party, etc.

In the event of default CFHL shall be entitled to communicate, in any manner it deem fit, to or with any person or persons with a view to receiving assistance of such person or persons in recovering the defaulted amounts. Also, representatives of CFHL shall be entitled to visit the property and/or any place of work of the borrower.

**ARTICLE 8: WAIVER**

8.1 Waiver not to impair the rights of CFHL

No delay in exercising or omission to exercise, any right, power or remedy accruing to CFHL upon any default under this agreement, mortgage deed or any other Agreement or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence by it in any default; nor shall the action or inaction of CFHL in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of CFHL in respect of any other default.

**ARTICLE 9: EFFECTIVE DATE OF AGREEMENT**

9.1 Agreement to become effective from the date of Execution

The Agreement shall have become binding on the borrower and CFHL on and from the date of execution hereof. It shall be in force till all the monies due and payable to CFHL under this agreement as well as all other agreement/s, document/s that may be subsisting/executed between the borrower and CFHL are fully paid.

**ARTICLE 10: MISCELLANEOUS**

10.1 Place and mode of payment by the borrower

All monies due and payable by the borrower to CFHL under or in terms of this Agreement shall be paid at the Registered Office or the concerned Regional/ Branch Office of CFHL by cash or cheque, or bank draft, drawn in favour of CFHL on a scheduled bank in the town or city where such Registered Office/Branch/Regional Office is situated or by recovery under ECS mandate or in any other manner as may be approved by CFHL and shall be so paid as to enable CFHL to realize the amount sought to be paid on or before the due date to which

the payment relates. Credit for all payments by cheque/bank draft drawn will be given only on realization thereof by CFHL.

#### 10.2 Inspection, assignment etc.

(a) The borrower shall permit inspection of all books of accounts and other records maintained by him in respect of the loan to Officers of CFHL. The borrower shall also permit similar inspection, by officers of such other Companies, banks, Institutions or bodies as CFHL may approve and intimate to the borrower.

(b) CFHL shall have the right to create charge over the property in favour of any company, bank, institution or body by way of security for any refinance facility or any loan availed by CFHL from such company, bank, institution or body. CFHL shall also have the right to transfer or assign the mortgage over the property in favour of any company, bank, institution or body in connection with any sale or transfer of the loan by CFHL to them.

(c) CFHL shall have the authority to make available any information contained in the loan application form and/or any document or paper or statement submitted to CFHL by or on behalf of the borrower and/or pertaining or relating to the borrower and/or to the loan including as to its repayment conduct, to any rating or credit reference agencies or any other agency or institution or body or authority as CFHL in its sole discretion may deem fit. CFHL shall also have the authority to seek and/or receive any information as it may deem fit in connection with the loan and/or the borrower from any source or person or entity to whom the borrower hereby authorizes to furnish such information.

#### 10.3 The borrower agrees consents and confirms as follows:

(a) CFHL may return the documents of title to either/any of the borrowers notwithstanding any contrary advice/intimation from either/any of the borrowers at a later date.

(b) CFHL may take about 15-20 days for return of the deposited Title Deeds/documents from the date of closure of the loan account/s to the satisfaction of CFHL as the documents are held at a Centralized location for safe keeping.

(c) If the borrower fails to collect/receive the deposited Title Deeds/documents when ready for delivery, CFHL is entitled to levy such charges towards cost of keeping/retaining the Title Deeds/documents commencing from seventh month from the date on which the Title Deeds/documents were ready for delivery.

(d) To keep alive the insurance policy/policies assigned in favour of CFHL by paying on time the premium as they fall due and produce the receipts to CFHL whenever required.

(e) CFHL shall have the right to receive and adjust any payment that it may receive in connection with any insurance policy/policies against the loan and alter the amortization schedule in any manner as it may deem fit notwithstanding anything to the contrary contained in this Agreement or any other document or paper:

(f) That he has scrutinized and is satisfied with the building plan, commencement certificate and all the requisite permissions pertaining to the property and that the construction is as per the approved plan and a satisfactory quality. That he has ensured that the scheduled property is located in the residential zone and no acquisition proceedings are pending from any Government or development authorities or any other local authorities.

(g) That he has no objection for CFHL publishing his name and photograph in any of the local newspaper/s or magazines, in case of defaults made by him in repayment of the loan installments.

(h) That CFHL may give all or any reference or information to third parties as per Article 10.2(c) supra.

#### 10.4 (a) All Original documents will be kept at the CDSC (Centralized Document Storage Centre).

(b) The Documents will be sent to CDSC by Truck/Courier.

(c) Documents will be retrieved from CDSC within 10 days of closure of the loan in full by Courier.

(d) The Documents will be kept in safe custody till closure of the loan. If the title deeds/documents are not collected/received by the borrower/s (upon closure of loan) when ready for delivery, then Rs.100/- per quarter will be charged from the fourth month onward from the date on which the title deeds/documents were ready for delivery.

#### 10.5 Service of Notice

Any notice or request required or permitted to be `sent' or `given' or `served' under this agreement to CFHL or to the borrower, shall be in writing and shall be deemed to have been given in dispatch by post addressed to the party for which it is intended at such party's address specified below:

For CFHL:

For the Borrower:

The residential address first above written or the property address described in the schedule.

**SCHEDULE**

Article reference:

2.1 Amount of loan:

Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only)

2.2 Variable Interest:

Prevailing VIR = \_\_\_\_\_

2.6 Amortization:

The entire loan along with interest shall be repayable in \_\_\_\_\_ years in consecutive Equated Monthly installments (EMIs) of \_\_\_\_\_ each under VLS subject to the covenants agreed under the various Articles under this agreement.

\* Subject to variation in terms of this agreement.

2.7 Overdue interest:

The overdue payments of EMI/PEMI shall render the borrower liable to pay overdue/ additional interest at 2% per month over and above the rate mentioned under Article 2.2 or such other varied interest rate as per this agreement, on the delayed installments for the delayed period.

3.1 Description of the property or properties and/or interests therein mortgaged or intended to be mortgaged in favour of CFHL:

Flat No - \_\_\_\_ / Plot No - \_\_\_\_ / House No. \_\_\_\_\_ Survey No - \_\_\_\_-\_\_, Floor No - \_\_\_\_\_, Street Name - \_\_\_\_\_, Town/City - \_\_\_\_\_, Taluk - \_\_\_\_\_, Locality - \_\_\_\_\_, District - \_\_\_\_\_, State - \_\_\_\_\_, property measuring East to West : \_\_\_\_\_ Sq.ft. and North to South : \_\_\_\_\_ Sq.ft. with boundaries on the east: \_\_\_\_\_; west: \_\_\_\_\_; north: \_\_\_\_\_ and south: \_\_\_\_\_.

IN WITNESS WHEREOF the parties hereto have signed the day, month and year first above written, signed and delivered by the within named

For Can Fin Homes Ltd.

Shri./Smt.....(Borrower)

by the hand of Shri.....  
its Authorized Signatory

Shri/Smt..... (Co-borrower)

Signed and delivered by the within-named