

TERM LOAN AGREEMENT FOR HOUSING FINANCE

This agreement executed this day of.....20
at.....in favour of The Karur Vysya Bank Limited, a Banking
Company registered under the provisions of the Indian Companies Act, 1913
having its Registered Office at Erode Road, Karur - 639 002 and a branch
at.....(hereinafter called 'the bank' which expression shall
include its successors and assigns).

BY

(Borrower name & constitution),
(hereinafter referred to as the 'Borrowers' which expression shall include
his/her/their heirs / executors/ administrators / successors and assigns);

Whereas the borrower has applied to the Bank for sanction of term loan for the
purpose of purchase /construction of a residential house/flat built or to be built or for
repairs of the property, described in the Schedule, hereinafter called the "house
property", with all its accretions, additions and fixtures, on terms and
conditions as mentioned in the loan application of the borrower.

Whereas the Bank, at the request of the Borrower, has granted/agreed to grant the
below mentioned loan/credit facility to the Borrower/s on or after execution of this
agreement.

LOAN/LIMIT: Housing Loan of Rs..... (Rupees.....only).
The borrower shall be entitled to avail the entire loan in a single stage or in various
stage to suite their requirements.

PURPOSE: The loan/ credit facility shall be utilized by the Borrower for the below
mentioned purpose only and not for any other purpose. borrower/s further agree/s
that notwithstanding anything contained in this agreement, the Bank shall have the
right to recall the entire loan amount together with interest and other charges or
any part thereof and/or withdraw the concessions if any, such as reduced rate
of interest, subsidy, in case the loan amount is/has been used for any purpose
other than for which it has been sanctioned or if the bank apprehends or it has
reason to believe that the borrower/s has/have violated or is violating the condition.

Purpose:

MARGIN: The borrower shall deposit with the bank a sum of Rs.as
margin money and authorize bank to debit the account and pay full amount to the to
the seller/builder/developer directly along with the loan amount. In case borrower has
paid the margin money in advance directly to the seller/builder/ developer, he/she
shall produce a valid stamped receipt evidencing payment of the margin money.

REPAYMENT: The Term Loan, along with interest, is repayable by monthly/equated monthly instalments or as stipulated in the Schedule given below, provided that in case of default in payment of any one installment or any part thereof or any other irregularity on the part of the borrower/s, the entire balance then outstanding with interests, costs, commissions and charges shall, if the bank so chooses, at once become due and payable.

The Borrower/s agree/s to maintain sufficient balance/drawing limit in his/their Savings Bank/Current/ Overdraft/ Cash Credit account and hereby authorize/s the Bank to transfer the periodical instalments and interest towards Term Loan, as and when they become due.

- i. That if the total amount repayable to the Bank is increased on account of any upward change in rate of interest, or levy of taxes or whatsoever that may be levied by the Government etc., the Borrower agrees to pay the increased amount of loan and the number of instalments shall automatically stand increased correspondingly.
- ii. If the Borrower has handed over post dated cheques (PDC) to the bank towards repayment, the Borrower agrees to handover sufficient number of additional PDC to cover the increased EMI.
- iii. If the Borrower has made arrangements for electronic credit of the instalments, Borrower agrees to keep the instructions in force till the additional instalments are also repaid.

Rate of Interest: The borrower agrees to pay interest @ % (Fixed/Floating) which is % over and above the Base Rate of the Bank, (Present Base Rate = ... %), compounded at monthly rests, together with all costs, charges, etc.

The interest will be calculated based on the daily balances in the loan accounts, such interest being added to the balance outstanding at the end of each calendar month, and the said interest, if unpaid, will become part of the amount advanced {(i.e.) the principal as mentioned above} and bear interest at the same rate.

The borrower hereby undertakes to pay the interest accrued in the loan account during the holiday period, if allowed, as and when debited.

If the Bank, at the request of the borrower or as per RBI guidelines, expressly waives payment of interest during the moratorium period, the interest accrued during the moratorium period will be capitalized and added to the principal sum on commencement of the repayment period and the same shall be repaid along with principal as per the agreed repayment period.

Revision of interest rate: The Borrower agrees that Bank may review and revise the Base Rate at any time or as per guidelines of RBI issued from time to time. The Borrower further agrees that the Bank may change the customer specific charges or the term premium or the risk premium at any time; and consequent to such revision

in the Base rate or other charges/premium, if the lending rate changes, the borrower agrees to pay the interest at the revised lending rate.

Such revision in Base rate/ lending rate as notified by the Bank in its Notice Board or Website or through other channels of mass communication shall be sufficient notice and the Borrower waives individual notice of the change.

Interest Rate Re-set:

Borrower agrees that the Bank is at liberty to re-set the fixed/floating lending rate due to change in the internal credit rating given to the borrower or variation in the credit rating done by any other external credit rating agency, or due to changes in the economic environment or changes in RBI Guidelines or due to any other reason, once in .. year/s, which the borrower agrees to pay. It is further agreed by the Borrower that any improvement in credit rating or economic environment etc., does not entitle the borrower to claim reduction in the lending rate automatically. It is further agreed that the Borrower is liable to pay the agreed rate of interest till the date of re-set.

TERM LOAN PRE-PAYMENT IN EMI LOANS: If the borrower wishes to pay any instalment or part thereof ahead of the agreed repayment schedule (henceforth called as pre-payment), borrower is entitled to do so either under "Partial Pay-off" method OR under "Advance payment" method.

Partial pay off method: The prepaid amount will be credited to the loan account and reduces the principal outstanding. However, Borrower should continue regular repayment of future instalments. The repayment terms of the loan will be rescheduled by either keeping the term as fixed or EMI amount as fixed, as per the option of the customer.

Advance payment method: The prepaid amount would be kept in RPA (Repayment pending appropriation) account and it will not result in reduction of principal amount. As and when the future installments fall due, the amount available in 'Repayment pending appropriation' account would be appropriated towards such dues.

TERM LOAN PRE-PAYMENT IN NON-EMI LOANS: Pre-payment can be made only under 'Advance payment' method. The prepaid amount would be kept in RPA (Repayment pending appropriation) account and it will not result in reduction of principal amount. As and when the future installments fall due, the amount available in 'Repayment pending appropriation' account would be appropriated towards such dues.

It is hereby agreed that the Borrower can chose either of the options at the time of pre-payment but once the option is exercised, it cannot be changed later.

PRE-CLOSURE: In case the revision in interest rate on the re-set date is not acceptable to the borrower, and if the Borrower wishes to prepay the entire dues and close the loan, the borrower shall inform their intention to the Bank within 15 days from the date of issuance of notice by Bank, and an option is given to the borrower to pre-pay and close the loan without any prepayment charges, within 3 months from

the date of notice given by Bank, if the prepayment is made from their own resources.

PRE-CLOSURE CHARGES: If the borrower wants to pre-pay any instalment or close the loan due to any other reason other than increase in the lending rate and if the funds remitted for such pre-closure/pre-payment are not from their own resources, pre-closure charges of .. % shall be paid on the amount so prepaid, (ahead of what has been mentioned in the enclosed repayment schedule) which shall be payable along with such pre-payment.

PENAL INTEREST: The borrower/s agree/s that the Bank is entitled to charge penal interest @ % p.a. in case of default in paying the instalments/ interest dues on the due dates, and the penal interest would be charged on the amount overdue and for the overdue period, till the defaulted amount is repaid and account regularized.

The borrower/s agree/s that the Bank is also entitled to charge such penal interest in the event of non-adherence to any of the terms and conditions contained in the sanction communication or for any irregularity or breach of terms contained in this agreement or violation of Reserve Bank of India directives/Bank rules and agree/s to pay interest at such enhanced rates on the outstanding balance for the period of such default or for such period as the irregularity or breach continues, provided that the charging and payment of such enhanced rate of interest shall be without prejudice to the other rights or remedies of the Bank, either under this agreement or by law, to proceed against the borrower and/or the security/ies for such irregularity or breach.

Notice regarding charging of overdue interest is waived by the Borrower/s.

COMMITMENT CHARGE: The borrower shall pay to the Bank a commitment charge of 1% (one per cent) per annum on the undrawn amount of the loan which is not utilized by the borrower within the time limit stipulated by the bank. Such commitment charge shall accrue from the date set for draw down of each tranche of the loan or if no such date has been set, from the date of execution of this agreement and shall be payable along with quarterly interest on the date mentioned above.

SECURITY: In consideration of the Bank having granted/agreed to grant the loans/credit facilities, the Borrower has agreed/undertaken to create a security on the scheduled property by way of equitable mortgage by deposit of title deeds or registered mortgage as may be required by the Bank, as first charge for the loans and also for all indebtedness or liabilities of the borrower/s to the Bank together with all interests, commissions, costs, charges and expenses payable to or incurred by the Bank including those for the enforcement of any of the security.

BORROWER undertakes to create an equitable mortgage over the "SCHEDULE PROPERTY" in favour of the Bank as security by depositing the original registered sale/conveyance deed which is proposed to be executed in favour of the BORROWER and which shall be the security for the repayment of the credit

facility granted by the bank, as soon as the same is executed in favour of the "BORROWER" and delivered but within 30 days from the date of this agreement.

The borrower assures and declares that the plot of land herein mentioned is free hold/lease hold and is his/her full and absolute property having good marketable title free from all encumbrances and he is entitled to mortgage the same with all accretions thereto as security with the Bank for the repayment of the term loan, interest and other charges. The borrower further declares that the layout, on which the plot is situated, has been approved and the plan for construction of the house/flat thereon is approved by proper authorities.

Insurance: The borrower shall at his own cost and responsibility insure and keep insured the mortgage security against earthquake, fire and such other insurable risks, loss or damage as the Bank shall from time to time require for the full market value thereof with any insurance company approved by IRDA, jointly in the names of the borrower and the Bank with Bank clause and deliver the insurance policies taken from time to time to the Bank with receipt of payment of premia.

If the borrower/s make/s any default in effecting such insurance as aforesaid or in renewing any policy or in payment of such premia, it shall be lawful but not obligatory for the Bank to effect such insurance for full value or to renew or to pay such premia and to keep the mortgaged properties insured and to debit the expenses incurred by the Bank for the purpose to the borrowers' said loan/cash credit/overdraft/current account with the bank and the same shall be treated as advances secured by this agreement. In such an event, the Bank will, at its discretion, take a suitable policy appropriate to the nature of securities. In case the Borrower wishes to cover additional risks, they may do so by paying the additional premia and get the endorsements.

It is specifically agreed that the non-obtention or non-renewal of insurance policy by the bank due to any reason shall not be questioned by the borrower since it is the primary obligation of the borrower to ensure that the mortgaged properties and other securities are sufficiently insured at all times. It is also specifically agreed that the non inclusion of any specific risks in the policy, if the policy is taken by the bank, shall not be questioned by the borrower.

Other terms & conditions: The borrower agrees that he/she shall not during the continuance of the loan, sell, mortgage, create any further charges or alienate the house property or any part thereof without the prior consent of the Bank in writing. It is also agreed that in case the house property is rented/leased out by the borrower after obtaining the consent of the Bank, the bank will have a right to demand that the amount of monthly rent shall be paid to the Bank towards his/her liability in respect of the term loan.

The borrower agrees to build the house property in accordance with approved plan and maintain and keep the house property in marketable stage and in good and substantial repair and condition and will not materially alter the structure without written consent of the Bank.

The borrower agrees that he will, upon every reasonable request of the Bank allow the Bank and any nominee, employee or Manager of the Bank, to inspect the Borrower's premises for ensuring that the Borrower had duly complied with the terms of advance.

The borrower further agrees that in addition to any general lien or similar right to which Bank may be entitled by law, the Bank may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's accounts and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of borrower's liabilities to the Bank on any other accounts or in any other respect whether such liabilities be actual or contingent, primary or collateral and several or joint.

The borrower further agrees that the bank is at liberty to take out Life Insurance Policy in his/her/their name for the face value of not less than the loan amount either in single or group in any of the insurance companies as decided by the bank. The premium so payable may be included in the loan amount and the same shall be repaid along with principal repayment.

The borrower agrees to comply with all the conditions of the term loan attaching or affecting the house property agreed to be mortgaged, imposed by any authority and to obtain permission from the competent authority or officer if required for creating mortgage of security in favour of the Bank.

The borrower agrees to pay all public demands, dues, charges & taxes in respect of house property which may be levied by any Government or any local authority during the continuance of the loan.

The borrower agrees to bear the entire cost of the execution, registration and stamp duty required for the mortgage deed in the case of a registered mortgage.

Events of Default: Notwithstanding anything contained hereinbefore regarding repayment of dues, by instalments, the entire amount of the loan with interest and charges or the balance outstanding in the account shall at the option of the Bank become due and payable by the borrower to the Bank and the Bank will be entitled to realize the same and enforce the mortgage security of the house property at the cost of the borrower upon the happening of any of the following events and after demand in writing namely:

- a) Any instalment of principal or interest or any part thereof in respect of the said loan being unpaid for a period of 30 days after the respective due date of repayment.
- b) Any representation or statement in the borrower's loan application being found to be materially false or incorrect.
- c) The borrower committing any breach or default in performance or observance of any term or condition contained in this agreement or in the loan application/attachment or distraint of other process being enforced or levied

upon the whole or any part of the borrower's property whether secured to the Bank or not.

- d) The borrower being declared insolvent or committing an act of insolvency.
- e) If the borrower shall without the consent in writing of the Bank create or attempt to create any further mortgage charge or any encumbrance of his house property agreed to be mortgaged to the Bank.
- f) If any event or circumstance shall occur which shall in the opinion of the Bank prejudicial to or endanger Bank's security.

The opinion and judgement of the Bank whether any such event has occurred or not shall be conclusive and binding on the borrower.

Consequences of Default:

Right to recall: On the occurrence of any of the events of default, it shall be lawful for the Bank, to recall the loan and demand the borrower to repay the entire outstanding dues at once.

Right to enforce security: In the event of failure to repay, the Bank will be at liberty to take such lawful recovery steps to enforce the security and realize its dues.

Right of set-off: That the borrower/s further agree/s that in addition to any general lien or similar right to which Bank may be entitled by law the bank may at any time and without notice to the borrowers combine or consolidate all or any of the borrower/s account and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of borrower's liabilities to the bank on any other account or any other respect, whether such liabilities be actual or contingent primary or collateral and several or joint. The borrower hereby unconditionally and irrevocably authorizes the Bank to pre-close and adjust from and out of any type of deposit/s the borrower holds or to be held with the Bank. The borrower hereby declare and confirm that the Bank shall always have its lien over the Jewels/goods pledged by him/them with a further authority that the Bank at its discretion can sell the Jewels/goods pledged and after appropriating the sale proceeds towards the Jewel Loan/Pledged Account, the surplus can be credited to the loan account of borrower. The above right of the bank can be exercised at any time during the pendency of the loan and notice in this regard is dispensed with.

Processing charges: Simultaneously with the execution of this agreement, the Borrower shall pay to the Bank the sum specified in the Schedule as non-refundable processing charges.

Right to assign: The Bank shall be entitled at its sole discretion to sell, assign, discount or transfer the Bank's right and obligations under this agreement to any person(s) / institution(s) of the Bank's choice in whole or in part and in such manner and on such terms as the Bank may decide. Any such sale assignment or transfer shall conclusively bind the Borrower. The Borrower shall not be entitled to directly or

indirectly assign the benefit or obligation of this agreement. No prior notice of assignment need be given to the borrower.

Notice: That any notice in writing required to be served on the borrower/s shall be deemed to be sufficiently served if addressed to the borrower/s at the address given and left at such address or forwarded by post. A notice sent by post shall be deemed to be given at the time when in the course of post it will be delivered at the address to which it is sent. If for any reason the borrower/s cannot be given any such notice the same may be inserted once in an advertisement in one of the local dailies shall be deemed to be sufficient notice.

Jurisdiction: Any dispute or difference arising in respect of the loan shall be referred to the Courts at the place where the loan was disbursed.

Disclosure: The borrower hereby agrees as a pre-condition of the loan/advances given to him/them by the bank that in case he/they commit default in the repayment of the loan/advances or in the repayment of interest thereon or any of the agreed instalment of the loan on due date/s, the bank and/or the Reserve Bank of India will have an unqualified right to disclose or publish his/their name or the name of our company/firm/unit and its directors/partners/proprietors as defaulter in such manner and through such medium as the bank or Reserve Bank of India in their absolute discretion may think fit.

The Borrower understand that as a pre condition, relating to grant of loans/advances /other Non funded based credit facilities to the Borrower, the Bank requires their consent for the disclosure by the bank, the information and data relating to Borrower, obligation assumed/to be assumed by the Borrower in relation thereto and default, if any committed in discharge thereof.

Accordingly, The Borrower hereby agree and give consent for the disclosure by the bank of all or any such:

- a) Information and data relating to the Borrower
- b) The information or data relating to any credit facility availed of/to be availed, by the Borrower
- c) Default if any committed by the Borrower, in discharge of such obligation

as the Bank may deem appropriate and necessary to disclose and furnish to credit information Bureau (India) Ltd., and to any other agency authorized in this behalf by RBI.

The Borrower declares that the information and data furnished by them to the bank are true and Correct.

The Borrower undertake that:

- a) the credit information Bureau (India) Ltd, and any other agency so authorized may use, process the said information and data disclosed by the bank in the manner as deemed fit by them and
- b) the credit Information Bureau (India) Ltd and any other agency so authorized may furnish for consideration the processed information and data or products thereof prepared by them to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

In witness whereof the borrower has executed the agreement on the day and month and year first above written.

I.SCHEDULE OF PROPERTY

II. SCHEDULE OF REPAYMENT

Borrower.