

Operational Guideline for Handover of Collateral Documents in the case of Demise of Borrower

As per the RBI circular “Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans” dated September 13, 2023, the procedure for handover of original property documents in case of demise of the sole borrower or joint borrower’s needs to be displayed on the website.

In case of contingent event of demise of sole owner or any one of the Joint Owners of the Property, the following procedure shall be adhered to –

Below mentioned documents to be furnished to the concerned branch and following procedure should be followed by the legal heirs of the deceased borrower:

- a) Death Certificate of the Deceased owner of the property.
- b) The legal heirship certificate or the Succession certificate (issued by the competent Civil court)
- c) The Legal heirship certificate issued by the competent / Tahsildar.
- d) The Legal heirship Certificate / Family Membership certificate to contain all the names of the Legal heirs of the deceased along with the relationship with the deceased.
- e) In the absence of Legal heirship Certificate/ Family membership certificate, the certified copy of the mutation of names of Legal heirs in revenue records, shall be obtained as proof.
- f) Post loan repayment / settlement & closure, all Legal heirs shall be physically present for the handover of original property papers. In case wherein all the Legal Heirs are not present to take the handover, NOC from other legal heirs along with their KYC & proof of signature is required. After complying all other procedures, original property documents will be handed over to legal heirs under due acknowledgement.
- g) In case of deceased borrower is property owner along with other co-owners, then co-owners are entitled to take delivery of original property document along with legal heirs of the deceased.
- h) In case of a dispute among the Legal heirs with respect to the Security, or a notice or objection is received objecting the release of the original property papers, the documents will only be handed over after receiving the court order or if all the legal heirs have jointly decided to receive the original property papers and the same is consented by all the legal heirs in the form of receiving while receiving the original property papers.
- i) Legal heirs, co-owners visiting branch for collecting original property documents should produce original KYC documents and provide attested copy of the same to the branch.
- j) The laws, rules of the respective states / jurisdiction will be applicable in case of any dispute.