

PROCEDURE FOR RETURN/RELEASE OF ORIGINAL PROPERTY DOCUMENTS (PERTAINING TO THE MORTGAGED PROPERTY) AND REMOVAL OF CHARGES REGISTERED WITH ANY REGISTRY.

Version	Prepared by	Reviewed by	Approved by	Approved Date
1.0	Company Secretary	Chief Financial Officer Operations Head	Board of Directors	February 12, 2024

INTRODUCTION

Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Full Repayment / Settlement of Loans issued by Reserve Bank of India vide Circular bearing reference no. RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated September 13, 2023, directing all NBFC (including HFC) release all the original movable / immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment/ settlement of the loan account.

Procedure for release of immovable property including handover of original title documents post full repayment/closure/settlement of the loan.

A. Release of Immovable Property Documents:

1. Following the closure of the loan, KIFS Housing Finance Limited ("**KHFL**") will send an intimation (via SMS/Letter/Whatsapp) to the borrower to collect the original property documents from the branch, from where customer has availed the loan within 30 days of receiving an intimation.
2. The Original Property documents shall be released to borrowers/s, and all the charges registered with any registry shall be removed within a period of 30 days after full repayment/ settlement of the loan account by the Borrower/s.
3. In the event that the borrower or borrower/s does not visit or contact the KHFL branch within 21 days of the initial intimation to collect the property documents, KHFL will send a reminder (via SMS/Letter/Whatsapp) to collect the property documents within the specified period of 9 days. If the borrower does not collect the document within 30 days of receiving the initial intimation, the compensation will not apply.
4. If the borrower does not collect the document within 30 days of receiving the initial intimation the original documents will be send back to storage vault. To retrieve the documents, the customer must submit a new retrieval request along with the document retrieval charges and a 30-day turnaround time will start from the revised request date.

B. Compensation for delay in release of Movable / Immovable Property Documents

1. KHFL shall notify the borrower of KHFL reasons for such delay to the Property Address if original property documents are not released or if the charge satisfaction form is not filed with the relevant registry within 30 days after full repayment/settlement of loan.
In case where the delay is attributable to KHFL, it shall compensate the borrower/s at the rate of ₹5,000/- for each day of delay.

KHFL will assist the borrower/s in obtaining duplicate/certified copies of the property documents of the immovable property if the original documents are lost or damaged, either in part or in full. KHFL shall pay the associated costs, in addition to compensating the borrower.

2. In case of loss/damage to original property documents of the immovable property, either in part or in full, KHFL shall assist the borrower/s in obtaining duplicate/certified copies of the property documents of the immovable Property, KHFL shall bear the associated costs if any, in addition to paying compensation as indicated at paragraph above.
However, in such cases, an additional time of 30 days will be available to the KHFL to complete the procedure as mentioned above and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).

The compensation provided under these directions shall be without prejudice to the rights of a borrower/s to get any other compensation as per any applicable law.

C. Process to handover the documents to the Borrower/s.

i. Handover of collateral documents to the Borrower/s & Co-Borrower/s:

The original title documents deposited as security with KHFL's designated Branch providing loan services shall only be able to be claimed/collected by the property owners, or by one joint owner who has the consent of other co-owners, within 30 days of the intimation received from KHFL for collection of the original document and as per the list of documents provided by KHFL during the loan availed from KHFL Branch.

The property owners shall acknowledge the receipt of the original title documents to KHFL along with the self-attested KYC documents.

ii. Handover of Collateral Documents in the case of Demise of Borrower:

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:

- Death Certificate of borrower(s)/ collateral provider(s) issued by Municipality Corporation.
- Request letter (signed by all the legal heirs of deceased borrower(s)/collateral provider(s)) containing details of the loan including collateral details for release of original property documents.
- The legal heirship certificate or the Succession certificate or Family membership certificate issued by the competent authority.

- The Legal heirship Certificate / Family Membership certificate to contain all the names of the Legal heirs of the deceased along with the relationship and shall be eligible legal heirs for succession as per the respective personal law/ succession laws.
- In the absence of Legal heirship Certificate/ Family membership certificate, the certified copy of the mutation of names of Legal heirs in revenue records such as 7/12 extract, shall be obtained as proof.
- List of Legal Heir(s) along with their marital status and self-attested, valid Know Your Customer (KYC) documents as per KHFL's KYC policy vis. Aadhar Card*, Passport as proof of identification. [*Please note Aadhaar is not mandatorily required for identification and alternate documents may be provided to the KHFL for proof of identification].
- Proof of being the legal heir of the deceased Borrower/ collateral provider. The proof could in the form of a Probate/ Succession Certificate/ Letters of Administration/ Certificate from the appropriate authority confirming the legal heirs of the deceased borrower/ collateral provider.

Legal heir if minor: If the legal heir is a minor, then the court appointed legal guardianship certificate needs to be submitted along with the valid OVD of the legal guardian, in the absence of a natural guardian. Minor is not required to visit the Bank and minor should not sign on any loan related documents, such documents should be signed by the legal guardian.

- Post loan repayment / settlement & closure, all Legal heirs shall be physically present for release of charge or NOC from other legal heirs of deceased would be required. After complying all other procedures, original property documents will be handed over to legal heirs under due acknowledgement.
- 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.
- In case of any dispute among the Legal heirs, any claim made by legal heir / heirs, any notice received objecting release the original documents, then the documents will be handed over only after clear court order or all the legal heirs have jointly decided among themselves with respect to the property document custody and such understanding is signed by all legal heirs and delivered to our branch office.
- 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.
- The laws, rules of the respective states / jurisdiction will be applicable in case of any dispute.
- On receipt of the documents listed, the Branch will verify the adequacy of the documents submitted, conduct the requisite due diligence on their authenticity of the documents and communicate either the acceptance or inadequacies to the requestor legal heirs.
- Upon receipt of the outstanding amounts of the loan the process for release of the security should be initiated. As per the extant RBI circular the bank is required to return the original title deeds of property, secured with the bank, within 30 days of the receipt of the outstanding amounts.

- The return of the original title deeds shall be made to all the legal heirs (present physically in the branch) or to their representative. The representative needs to be authorised either through a valid power of attorney/ letter of authority executed by all the legal heirs clearly authoring the representative to accept the title deeds and issue an acknowledgement in respect thereof.

Format of the acknowledgement appended as Annexure.

NOTE:

This is the standard procedure for returning original property documents to the borrower in accordance with the above procedures. In those cases, however, the procedure shall not be applicable if any proceeding/ inquiry/ investigation is pending in relation to the deceased borrower(s) or any statutory authority/court has impounded/seized the underlying securities or documents in order to enforce any statutory obligation.

The above-mentioned details are the broad guidelines and not exhaustive. Any other documents submitted by legal heir(s) which is not mentioned above, shall be subject to necessary allied checks and due verification by the KHFL.

The final decision will be taken in lines with the internal policies and at the sole discretion of the KHFL.

Annexure – 1

ACKNOWLEDGMENT/ RECEIPT

Date:
From:

To,
KIFS Housing Finance Limited (“KHFL”)
<Branch address to be incorporated>

Sub: Receipt of Original immovable property documents

Dear Sir,

I, We/ Mr/ Ms (name/ names of the legal heirs) hereby confirm that I/ we have received the below original property documents pertaining to the mortgaged property in good condition and shall discharge the KHFL from any claim whatsoever from me/ us and my/ our legal heirs, successors in-title, assigns, administrators, executors or any other person claiming through me/ us or in trust for me/ us.

Sr No.	Description of the Document	Nature of Document (Xerox/Original/Certified Copy)

Thanking You,
Yours faithfully,
<Name and signature of all Legal Heirs>