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T&C Apply

## **LOAN TO PENSIONERS**

**Purpose** - To meet personal expenses like marriage expenses in the family, medical, travel, family liability/expenses, including securing shelter in any "Old Age Home".

**Eligibility** - All Pensioners of Central and State Government Departments and Public sector undertakings

**Quantum of Loan** - 10 times gross monthly pension with a maximum loan up to Rs.5.00 lakhs for the person with age up to 65 years

**Security** - Insurance Policy on life of applicant and/or Group Insurance Policy **OR**

Any liquid security (assignable to our Bank) of applicant or Third Party, equivalent to loan amount

**Processing Charges** - 0.25% of loan amount plus applicable tax

**Rate of Interest** - 11.30% p.a.

**Guarantee** - 2 guarantors to be obtained

1. The spouse eligible to receive family pension (Must)
2. Any family member or any other person acceptable to bank

**Repayment Period** - Maximum up to 5 years or till pensioner reaches 70 years of age, whichever is earlier.

**General Condition** - 1. Prior lien should not exist against the pension to be received.

2. A pensioner who has simultaneously taken up a job or carrying a business after retirement is also eligible for the scheme.

3. The net take home pension should not be less than 50% of the gross after deduction of the proposed loan installment and residual should be Rs.10000/-

**Ensure that a copy of loan sanction letter be endorsed to Pension Department/Bank (where pension gets credited) of the pensioners for their information**

### **Documentation** -

1. Loan Form dully filled in, along with Passport size Photographs
2. Original Pension Payment Order to be lodged
3. Net Worth Statement of Applicant & Guarantor (self declared),
4. Membership form duly filled in by Applicant & Guarantor,
5. KYC Documents viz PAN, Address & ID Proof Adhar Card, Electricity Bill etc.
6. Retirement Papers for verification
7. Copy of Pass Book where his/her pension is credited
8. Undertaking stating that the borrower will not change the authorization given to the employer to credit the pension to the bank (which is intimated to us at the time of submission of loan application) during the tenure of the loan limit.
9. 12 Post Dated Cheques (per year) of the bank where pension is credited or ECS Mandate to be obtained.
10. An irrevocable authority letter in favour of our bank to be obtained for disclosure of the information about the pension etc. directly from the bank where it is maintained.