LOAN AGREEMENT

THIS Housing facility Agreement is made on **…………….. at ………………….. between** the Borrower and the Bank for a Housing facility of **Rs………………..Lac (Rupees …………………….) (which includes Met Loan Suraksha of Rs. ……………………./-)**.

**1.** Definitions: **–** In this agreement, unless there is anything repugnant in the subject or context:-

(1) Borrower means **………………. Son of ……………….. R/o ………………… and** where the subject or the context so admits includes his transferees, heirs and other legal representatives.

(2) Debt includes every component of the Borrower’s indebtedness towards the Bank.

3) Housing means a Housing/Term Loan facility of **Rs………………..Lac (Rupees ……… . .) only (which includes Met Loan Suraksha of Rs. ………/-)***,* to be allowed by the Bank to the Borrower as mentioned in article 2 hereof, and includes any portion thereof.

(4) Mortgage property means: **………………situated in Estate ………… Tehsil& District ………………………..,** owned by the Borrower.

(5) Indebtedness means the sum total of all the liabilities/obligations of the Borrower towards the Bank at any given point of time on account of the outstanding Housing facility and the interest including penal interest, interest tax, service tax, charges, expenses, costs, etc., if any, chargeable/charged against Borrower or debited to the Borrower’s Housing facility account with the Bank, and includes Indebtedness of the Borrower in any other account with the Bank.

(6) Interest includes the interest payable to the Bank by the Borrower in respect of the Housing Loan in accordance with Article 3 hereof.

(7) The Jammu & Kashmir Bank Ltd., a banking company incorporated under the *then* J& K Companies Regulation, No. XI of, 1977 (*Samvat* era), having their Registered Office at Corporate Headquarters, M. A. Road, Srinagar, Kashmir, business unit **……………………..,** Kashmir, and includes such other branch where the Borrower may have any individual or joint account or where the Borrower’ Housing facility account may be transferred, and also, when the subject or the context so admits, its officers, agents, successors and assigns.

(8) Margin Moneymeans the Borrower’ own contribution of not less than the prescribed amount for the purpose of repair/renovation of aforesaid two storied residential house.

(9) Prescribed means prescribed by the Bank either in the Sanction Letter or otherwise.

(10) Sanction Letter means the letter of the Bank whereby the Housing facility is sanctioned to the Borrower, and includes any modification/ renewal and copy thereof.

(11) Loan Processing Means: \_\_\_\_\_\_\_%

(12) Purpose means: Construction/completion of borrower’s residential house over above piece of land.

(13) Scheme Means: J&K Bank’ public Housing Scheme.

2. Amount/ Purpose/Disbursement of the HOUSING LOAN:

(a) The Borrower hereby agrees to avail from the Bank, and the Bank hereby agrees to provide to the Borrower, Housing facility of **Rs……………..Lac (Rupees …………………………….. )** only, on the terms and conditions as hereinafter appearing.

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(b) The Borrower shall use and utilize the proceeds of the Housing facility and the amount of Margin Money contributed/ to be contributed, strictly for the purpose of acquiring the House Property. The Borrower shall at their expenses arrange for visit/s of the House Property by the Bank. For any diversion of the funds the Borrower shall be liable under law for the time being in force.

(c) The Housing facility shall be disbursed by the Bank in by issuing account payee Demand Draft/s or Pay Order/s in favour of the present owner of the House Property.

**3.** **Interest:**

(a) The Borrower shall pay interest as prescribed by the Bank on floating basis **per annum** on the said Housing facility at such rate/s as may be prescribed from time to time. The said interest shall be charged by the Bank with monthly rests or at such other rests as may be prescribed from time to time, and shall be serviced by the Borrower accordingly. The interest shall be calculated for each month for actual number of days in that month on the basis of a year of 3651/4 days. The interest as aforesaid shall also be payable by the Borrower on every other amount that may be debited by the Bank to the Housing facility account of the Borrower. And any amount mentioned in this Article remaining unpaid shall bear same interest as the Housing Loan.

(b) Besides the interest as aforesaid the Bank shall also be entitled to recover from the Borrower interest tax, if any, which may be levied or imposed by, or payable to, any Authority regardless of whether the same is payable by or for the account of Bank or the Borrower; and accordingly the Bank shall be entitled to increase the rate of interest by an amount equal to the amount of such tax payable on the amount of interest.

**4.** Amortisation:

(a) The Borrower will repay the said Term Loan facility in ……………… equated monthly installments of **Rs………………./- commencing after …………. months of moratorium period from the date of first disbursement and shall pay the interest as prescribed by the Bank per annum on floating basis.** The Bank shall be entitled and competent to deduct the installment or any other amount due or payable to it from the Borrower from any account of the Borrower, or from the individual accounts of the Borrower in such proportion as the Bank in its absolute discretion deems fit.

(b) Any other amount referred to in Article 3 hereof shall be payable by the Borrower and recoverable by the Bank as and when the same is debited by the Bank to the Housing facility account of the Borrower.

(c) All the payments shall be made by the Borrower at the Bank said Business Unit where the Housing facility account of the Borrower is maintained, or at such other place as may be permitted by the Bank. If the due date for any payment by the Borrower happens to be Saturday, Sunday or a Bank Holiday at the place of payment, the immediately preceding working day shall be deemed to be the due date.

**5.** Event Of Default & its Consequences:

(a) Any of the following events shall, and shall be deemed to, constitute an “event of default”:-

*i*, The Borrower fail or neglect to serve interest in the Housing Loan account,

*ii*, The Borrower fail or neglect to pay an installment of the Housing Loan or the interest on the Housing Loan in time, or

*iii*, The Borrower commits breach of any of the terms and conditions contained in this agreement or any other document governing the Housing Loan,

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*iv*, Any representation or statement made by the Borrower to the Bank in this Agreement or in any other document/ statement or otherwise is or turns out to be incorrect and misleading when the same was made,

(b) If an Event of Default occurs and is continuing, the Bank may:-

*i*, Issue a notice to the Borrower and declare the principal of, and all accrued interest on, the Housing facility to be due and upon such declaration the same shall become payable forthwith by the Borrower, the prescribed repayment schedule notwithstanding; the decision of the Bank regarding the occurrence of an event of default and/ or its remaining un-remedied for the said period to be final, and/ or

*ii*, Exercise against the Borrower any right, power or remedy permitted to it by law, either by suit, in equity or under law or both, whether for specific performance of any covenant of this agreement or for an injunction against a violation of any of the terms of this agreement, or in aid of the exercise of any power granted in this agreement, and/ or

*iii*, (without prejudice to its statutory right of general lien or other similar right as a banker) combine or consolidate, without any notice to the Borrower, all or any of their accounts with, and liabilities to, the Bank and may set-off against or transfer/ appropriate/ apply any credit balances of these accounts (however evidenced) to the payment of any of the liabilities of the Borrower towards the Bank in any respect, whether such liabilities be actual, contingent, several or joint; and pending any such action, to the extent necessary, to hold such amounts as collateral to secure such obligations and liabilities of the Borrower and to return as unpaid for insufficient funds any and all checks and other items drawn against any such credits/ deposits so held as Bank in its sole discretion may elect.

(c) The Borrower shall be also liable to pay additional or penal interest as may be prescribed, over and above the normal rate of interest, on the amount remaining unpaid for the period of default.

(d) The rights and powers mentioned in this Article are in addition to, and not in derogation of, any other rights of the Bank under this Agreement or any other document or provision of law for the time being in force, and nothing herein contained shall be deemed to negate, qualify or otherwise prejudice the Bank’s right to recover their dues from the Borrower or their sureties and/ or to enforce any securities held by it.

6. Insurance:

The Borrower shall at their own cost and expense obtain a full and comprehensive insurance cover for the House Property and any other property mortgaged with the Bank as security for the House Loan to the satisfaction of the Bank with the usual Bank clause in favour of the Bank and shall deliver to the Bank all policies and receipts for the premiums paid. If the Borrower fails to take the said insurance or deliver the policy or receipts as aforesaid, the Bank may in their discretion obtain at the Borrower’ cost an insurance cover for the House Property to the full or a less amount and for such risks as the Bank may deem necessary, provided that in no case shall the Bank be bound to do so.

**7.** Enforcement of Security.

(a) In the event of default by the Borrower in payment of the Debt or committing breach of any of the terms and conditions of this Agreement or any other document relating to the Housing Loan by whosoever executed, or on the occurrence of an event of default as mentioned in this Agreement and such event of default remaining un-remedied for a period of 10 days, the Bank shall be entitled, without any notice to the Borrower but at the Borrower’ risk and expense to enter and remain in the House Property, take into possession and/ or sell or otherwise

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dispose of the same in any manner whatsoever and apply the net proceeds of such sale or disposal towards liquidation of the Housing Loan and discharge of the Borrower’ liability towards the Bank. The Bank shall have all other incidental and ancillary rights and powers as may be necessary for effective exercise of the rights mentioned in this Article.

(b) The Bank shall in no case be liable towards the Borrower or any other person for any loss or damage to the House Property whether or not the same is in possession of the Bank at the time of such loss or damage. However, the Borrower shall keep the Bank indemnified against all suits, proceedings, claims & demands brought/made by any person against the Bank in connection with the House Property, and also against all losses, expenses and costs incurred by the Bank about such suits, proceedings, claims, demands.

**8.** Appropriation:

(a) All the payments received, at whatever time, by the Bank from/ for the Borrower shall be applied by the Bank towards discharge of the liability of the Borrower in such loan account of the Borrower as the Bank in its absolute discretion deems fit, notwithstanding the instruction, if at all any, of the Borrower to the contrary. The Borrower shall have no right whatsoever to instruct or advice appropriation of any amount to any particular account. In the Borrower’ account chosen by the Bank for appropriation of a payment received by it the amount received shall be applied by the Bank towards discharge of the Debts due from the Borrower in that account in order of time whether those are or are not time barred under the law of limitation for the time being in force. And amongst the debts of same standing the expenses, costs, charges, etc, shall be adjusted first, the interest shall be adjusted next and the principal sum shall be adjusted at last.

(b) If the proceeds of any insurance claim are less than the amount of Indebtedness of the Borrower, the Bank shall be at liberty to apply and adjust any other amount with the Bank standing to the credit of or belonging to the Borrower in liquidating the Indebtedness of the Borrower in the Housing facility account. In the events of there being no such other amount of the Borrower or of such amount also being insufficient for discharge of the Borrower from its liability in the Housing facility account, the Borrower shall continue to be liable for repayment of the shortfall and nothing herein contained shall be deemed to negate, qualify or otherwise prejudice the right of the Bank to recover from the Borrower the Housing facility even if the whole or any part of the House Property may not have been liquidated.

(c) In the event of there being a surplus available after liquidating the Borrower’ liability in the Housing facility account, it shall be lawful for the Bank to retain and apply the said surplus together with any other money belonging to the Borrower (for the time being in the hands of the Bank in or under whatever account) in or towards payment of any other sums of money which shall be or may become due and payable either or both of the Borrower, or jointly with any other person, to the Bank on account of any loan, discounted bills, letters of credit, guarantees, charges or other obligations (current though not then due or payable) or other legal or equitable demands which the Bank may have against the Borrower or which the law of set-off or mutual credit would in any case admit.

**9.** Acquisition Or Requisition:

In case the House Property any other property mortgaged with the Bank as security for the House Loan is acquired or requisitioned by any lawful authority during currency of the Housing Loan, the entire amount of compensation for such acquisition or requisition in lie of the House Property shall be directly recoverable by the Bank exclusively on behalf of the Borrower and any amount so received shall, after deducting the expenses there-from, if any, be applied by the Bank towards discharge of the Debt and the appropriation shall be done in accordance with the provisions of Article 8 hereof.

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10. Borrower’s Representations & Warranties:

Besides what has been already disclosed in writing by the Borrower to the Bank, the Borrower hereby represent/ assure/ confirm, and shall be deemed to have represented, assured, and confirmed, to the Bank that:-

(a) The information provided by the Borrower in the loan application form or otherwise is true and correct and is a genuine part of the premise on the basis of which the Bank has sanctioned/ granted the Housing Loan;

(b) The Borrower have not created any charge or encumbrance on the House Property not disclosed to the Bank, nor are they party to any un-disclosed litigation; and

(c) The execution of this Agreement by the Borrower and the performance of their obligations under this Agreement are their valid, legal and binding obligations fully enforceable against them.

11. BORROWER’S UNDERTAKING:

The Borrower hereby assures and undertakes, and shall be deemed to have assured and undertaken, that on disbursement of the Housing facility he will:-

1. Take all necessary steps to ensure that immediately on paying the price of the House Property to the seller/s thereof the same is properly and completely transferred and conveyed in his favour, and if necessary, authorize the Bank to receive directly on his behalf the sale/ conveyance deed from the office of the Sub-Registrar concerned;

(b) Immediately after the sale is concluded deposit his sale deed in respect of the House Property, or shall have the same deposited, with the Bank to create mortgage of the House Property in favour of your bank as primary security for the Housing Loan, and if the Bank so advises, execute a registered mortgage deed in favour of the Bank;

(c) Pay, in case he fails or neglects to do as aforesaid in clauses (a) and (b) of this article, additional/ penal interest on the Housing facility at such rate as may be prescribed by the Bank, for the period of the default; &

(d) Not to create any further charge on the House Property any other property mortgaged with the Bank as security for the House Loan or does any such thing or act which would prejudice the security of the Bank for the Housing Loan.

12. OTHER TERMS:

(a) The Borrower during his Indebtedness shall bear all such imposts, duties and taxes as may be levied from time to time by the Government or other authority, pertaining to or in respect of the Housing Loan; and shall also bear all costs, charges and expenses including travelling expenses in anyway incurred by the Bank in connection with Housing Loan.

(b) The Bank shall be entitled during the Borrower’ Indebtedness (even after a recovery suit) to affect the insurance of the House Property charged to the Bank and also of third party’s property, if any, mortgaged as security for the Housing facility and debit the premium/s to the Borrower’ Housing facility account.

(c) The sums of money debited to the Borrower’ Housing facility account under the clauses (a) and (b) of this Article shall be repayable by the Borrower forthwith and until such repayments shall bear interest at the same rate and rests as the Housing facility and shall be a charge on the House Property.

(d) Any notice/ request required/ permitted to be given/ made under this Agreement either to the Bank or the Borrower shall be in writing and signed an officer (except where electronically generated/ transmitted) and shall be deemed to have been duly given/ made when it shall be

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delivered by hand at the office/ home, or sent by registered post, telegram, fax or electronic mail at last known address/ number, of the addressee. Unless otherwise advised in writing, the respective addresses of the Bank and the Borrower shall be those given in this Agreement.

(e) The Borrower undertakes to keep the Bank comprehensively indemnified, defended, protected and harmless against all losses, damages, costs, expenses or liability (including, without limitation, the attorneys' fees) arising out of or in connection with the Term Loan.

(f) Nothing in this Agreement or any other document between the Bank and the Borrower shall be deemed to negate, qualify or otherwise affect the Bank’s reserved right to alter by way of addition, deletion or modification any of the terms and conditions of the Term Loan during its currency.

13. Waiver:

A waiver by the Bank shall be in writing. Neither the failure by the Bank on any occasion to insist upon the performance of the terms, conditions and provisions of this agreement, nor any time or indulgence granted by the Bank to the Borrower, shall act as a waiver of such breach or acceptance of any variation or relinquishment of any such right or other right under this agreement which shall continue to remain in full force and effect. If the Bank in its absolute discretion grants an indulgence to the Borrower and condones an event of default that has occurred, then subject to fulfillment of the conditions, if any, prescribed by the Bank for such indulgence and condonation, this agreement shall continue to be applicable as if no such event of default had ever occurred. If the Bank in its absolute discretion elects not to exercise any of its rights or powers against, or grants any relaxation to, the Borrower, the same shall not be deemed a waiver on the part of the Bank of any of its rights or powers. No omission on the part of the Bank to take any action under this agreement shall be deemed to permit the Borrower to continue or repeat the breach or default in respect of which the Bank omits to take action. No exercise by the Bank of one right or remedy shall be deemed an election; and no delay by the Bank shall constitute a waiver, election, or acquiescence by it.

**14.** Recall OF THE ADVANCE:

If on account of the Borrower’ default the Bank classifies the Borrower’ Housing facility account as a Non Performing Asset in accordance with the norms extant at the relevant time, then the Housing facility shall be deemed to have been recalled and the same shall be repayable forthwith and in one lump by the Borrower along with the interest etc., anything to the contrary in Article 4 hereof notwithstanding

**15.** DISCLOSURES ABOUT The Borrower:

(a) The Borrower agrees and consents for the disclosure by the Bank of any information and data relating to the Borrower, the information and data relating to the Housing facility or any credit facility and default, if any, committed by the Borrower as the Bank may deem appropriate and necessary, to Credit Information Bureau (India) Limited and any other Agency authorized in this behalf by the Reserve Bank of India. Credit Information Bureau (India) Limited 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/or 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.

(b) The Borrower hereby also agrees that in case the Borrower commits default in the repayment of the Housing Loan/ Debt, the Bank and/ or the Reserve Bank of India shall have an

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unqualified right to disclose or publish the name and photograph of the Borrower as defaulters in such manner and through such medium as the Bank or the Reserve Bank of India in their absolute discretion may think fit.

(c) The Borrower hereby also agrees that the Bank may at their sole discretion disclose to any other bank or financial institution such information relating to the credit facilities granted to the Borrower as it deems fit.

16. Upfront Fee & Expenses:

The Borrower shall pay to the Bank a one-time, non-refundable, non-adjustable upfront fee equivalent to such percentage of the Housing facility as may be prescribed by the Bank. The legal charges and costs of all documentation in relation to the Housing facility shall also be borne by the Borrower.

**17.** Sale Of Financial Asset:

(a) The Bank shall have the right to sell the any part or whole of the Housing Loan on one or more occasions to any bank/s or financial institution/s or any other competent purchaser on such terms not inconsistent with the terms of this Agreement, as the Bank may deem fit.

(b) In the event of any such sale the Bank shall intimate the Borrower accordingly in writing whereupon the provisions of this Agreement shall be deemed to have been made as well between the Borrower and such purchaser.

**18.** Interpretation:

(a) This Agreement, not to be read in isolation, shall be construed jointly with any other documents between the Borrower and the Bank in connection with the Housing Loan, whether any such document is executed by the Bank, Borrower or some third person. The Sanction Letter shall be deemed to be part of this Agreement and every condition of the Sanction Letter shall be hereby deemed to be accepted by the Borrower.

(b) The provision of this Agreement and of all other documents referred to in clause (a) of this Article shall be severable and neither this Agreement nor any other said document shall become invalid by reason only of any provision hereof or that of any other said documents being invalid or un-enforceable.

(c) Save and except where the contrary is the expressly intended, all the rights and powers conferred upon the Bank under this Agreement and the other documents referred to in clause (a) of this Article shall be in addition to, and not in derogation of, any other rights or powers of the Bank under any statute for the time being in force.

Signed and deliveredby the Borrower and accepted by the Bank, in presence of the witnesses.

*Witnesses***:**

1.

**………………………**

**(Borrower)**

2. FOR THE BANK