

Loan Against Property

At times when one's finances are strained and one needs a little help to tide one over, leveraging one's assets could act as a favourable option rather than fretting over the situation. In such a circumstance, a loan against property would come in handy. Since one offers a collateral for the loan, one can get a higher loan amount as compared to that of an unsecured loan. It's also a better option since the tenure for a loan against property is longer than that for a personal loan.

How Does Loan Against Property Work?

Loan against property as the name indicates is a type of loan that is taken by pledging one's property. The property acts as a collateral. One can pledge any kind of property like a residential building, commercial space, or just a plot to avail a loan against property.

If you have a property registered under your name, you can approach lenders asking them for a loan against your property. The lender will assess the market value of your asset and will sanction the loan if the title is clear. The lender will approve a certain percentage of the market value of the property as a loan which you can use for any purpose. People take loan against property for many reasons like expanding your business, education, studying abroad, taking a vacation, or for medical treatments.

Checklist of Loan Against Property Documents Required

For Salaried Applicants:

- **Proof of identification (any one of the following):**

1. PAN card
2. Passport
3. Driving License
4. Voter's ID
5. Employee ID
6. Bank passbook
7. Ration card

- **Address proof (any one of the following):**

1. Passport
2. Utility bill (telephone, electricity, water, gas) – less than 2 months old
3. Letter from a recognized public authority verifying the customer's residence address
4. Bank passbook or Bank account statement
5. Voter's ID
6. Ration card
7. LIC policy/ receipt

- **Residence ownership proof (any one of the following):**

1. Property documents
2. Maintenance bill
3. Electricity bill

- **Proof of income (any one of the following):**

1. Payslip (Last 2 months)
2. Increment or Promotion letter
3. IT returns (for 3 years)
4. Form 16
5. Certified letter from Employer

- **Proof of job continuity (any one of the following):**

1. Current job appointment letter (if more than 2 years have been spent in the same job)
2. Current employment certificate
3. Experience certificate (previous job certificate or appointment and relieving letter)

Bank statement: Last 6 months bank statements of salary account

Existing loans: In case of any existing loan, need to submit sanction letter, payment track record

Investment proof (if any): fixed deposit, fixed assets, shares, etc.

Copies of all property documents: Sales deed/copy of Agreement, share certificate (if society formed), latest maintenance bill

Advance processing cheque: to process loan documents for sanction

For self-employed Individual/Businessman:

- **Proof of Identification**

- **Address Proof**

- **Residence ownership proof (any one of the following):**

1. Property documents
2. Electricity bill
3. Maintenance bill

- **Office address and ownership proof (any one of the following)**

1. Property documents
2. Electricity bill
3. Maintenance bill

- **Proof of business existence (any one of the following)**

1. Sales deed/ agreement (executed)
2. Saral copy (3 years old)

3. Copy of tax registration
4. Company registration license

- **Proof of Income (any one of the following):**

1. Last 3 years Income tax returns of the applicant along with computation of income duly attested by a Chartered Accountant
2. Audited balance sheet and Profit & Loss accounts, including tax audit report, if applicable
- 3.

- **Bank statement:** Latest 1 year bank statement (both savings and current)

- **Copies of all property documents:** Sale deed/copy of Agreement, share certificate (if society formed), maintenance bill

- **Advance processing cheque:** to process loan documents for sanction

- **Passport size, coloured photograph**

- **Investment proof (if any):** fixed deposit, fixed assets, shares, etc.

- **Existing loans:** In case of any existing loan, need to submit sanction letter, payment track record

- **Professional Degree Certificate:** (in case of professionals).

Individuals Eligible For Loan Against Property

► Salaried individuals

- Any individual who is in permanent service in the government or a reputed company.
- The applicant should be above 24 years of age at the time of loan commencement and upto the age of superannuation.

► Self-employed individuals

- Any individual filing Income Tax returns can apply.
- The applicant should be above 24 years of age at the time of loan commencement and up to 65 years at the time of maturity.

► Self Employed Professionals

- Professionals (i.e., doctors, engineers, dentists, architects, chartered accountants, cost accountants, company secretary, and management consultants only) can apply.
- The applicant should be above 24 years of age at the time of loan commencement and up to 65 years or less at the time of loan maturity.

▶ Lease Rental Discounting (LRD)

- All resident individuals can apply. The lessee must however be a company as defined under the Companies Act, 1956.
- Funding will be done only against ready commercial property. The same will be restricted to 85% of the net present value of the future rentals or 50% of the value of property, whichever is lower.

Bank Loan Documents Required For Salaried Individuals:

- ▶ A copy of the duly filled application form
- ▶ Identity proof – PAN card/ Aadhaar card /Driving License/Voter ID/Passport
- ▶ Address proof of both residence and office – Aadhaar Card/Voter ID/ utility bill like electricity b
- ▶ Salary slips for the latest three months
- ▶ A copy of the for last 3 years Form 16
- ▶ Bank statements of previous six months reflecting salary obtained and current repayments
- ▶ Proof of ownership – Original Property title deed of the property Offered as security. Other property documents such as Latest maintenance, Water Tax, Municipal Tax and any other such taxes paid receipt.
- ▶ Non-encumbrance letter from Co-op Society (wherever applicable).
- ▶ Permission to create Equitable Mortgage from society / Development Authorities
- ▶ Confirmation of society that Bank's lien on society records is noted. (wherever applicable) Any other documents specified by Bank's panel advocate in the legal opinion/ title clearance report.

Documents Required For Self-Employed Individuals:

- ▶ A copy of the duly filled application form
- ▶ Identify proof – PAN card/ Aadhaar Card
- ▶ Address proof residence and office as well - Aadhaar Card/Voter ID/ Driving license or a copy of any utility bill like electricity bill
- ▶ Income returns filing of the previous three years
- ▶ Income certificate issued by a recognised authority like Tehsildar/ BDO/ SDO
- ▶ Bank account statements of the last six months
- ▶ Proof of ownership – Original Property title deed of the property provided as collateral
- ▶ Receipt of payment for the latest water tax, municipal taxes and other maintenance taxes
- ▶ Non – encumbrance letter issued by your housing society
- ▶ No objection letter from your housing society for mortgage

Documents required for salaried employees:

Required proofs	Acceptable documents
<u>Proof of income</u>	<ul style="list-style-type: none">• 3 months' pay slips• 6 months bank statements• 2 years Form 16
<u>Proof of income for NRIs</u>	<ul style="list-style-type: none">• 3 months' pay slips• 6 months international salary account statement• Passport copy• Appointment letter
<u>Proof of identity</u>	<ul style="list-style-type: none">• Passport• Voter ID• PAN card• Aadhaar card• <u>Driving Licence</u>• Photo ID issued by GOI• Government employee ID
<u>Date of birth proof</u>	<ul style="list-style-type: none">• Passport• PAN card• Aadhaar card• Birth certificate• SSC marksheet• Driving licence
<u>Proof of address</u>	<ul style="list-style-type: none">• Aadhaar card• Voter ID• <u>Electricity bill</u>• Government employee ID• Photo ID issued by GOI• Telephone bill• Property tax receipt• Gas bill
<u>Signature Proof</u>	<ul style="list-style-type: none">• Passport• PAN card• Banker's verification• Notarized affidavit with ID and address proof

Documents For Self Employed Applicants

<u>Required Proofs</u>	<u>Acceptable Documents</u>
<u>Proof of income</u>	<ul style="list-style-type: none">• 2 years ITR• Tax audit report if the turnover exceeds Rs.1 crore• 6 months bank statements for business and personal accounts• Proof of business continuity for 5 years
<u>Proof of identity</u>	<ul style="list-style-type: none">• Passport• Voter ID• PAN card• Aadhaar card• Driving licence• Photo ID issued by GOI• Government employee ID
<u>Date of birth proof</u>	<ul style="list-style-type: none">• Passport• PAN card• Aadhaar card• Birth certificate• SSC marksheet• Driving licence
<u>Proof of address</u>	<ul style="list-style-type: none">• Aadhaar card• Voter ID• Electricity bill• Government employee ID• Photo ID issued by GOI• Telephone bill• Property tax receipt• Gas bill
<u>Signature Proof</u>	<ul style="list-style-type: none">• Passport• PAN card• Banker's verification• Notarized affidavit with ID and address proof

Documents to be submitted Before loan disbursement

Document	Checks & controls
Loan Agreement and Annexures	<ul style="list-style-type: none"> • Loan agreement as per product type • Annexures to be duly filled, signed & stamped as per state law: <ul style="list-style-type: none"> - MII (Most Important Information) pages - MCLR consent letter - Schedule of loan agreement - List of Documents (LOD) - Loan restriction letter (if any) - Disbursement request letter - For NRIs – franked GPA document - Indemnity for under construction cases in plot loans - Guarantor agreement (if applicable) • Any alteration/correction to be authenticated by applicants
National Automated Clearance House (NACH) mandate/ Standing Instruction (SI) form and Security Cheques (SPDC)	<ul style="list-style-type: none"> • NACH / SI mandate with a signed cancelled cheque with A/C holder's name as per bank records • SPDC - 3 undated security PDCs equivalent to EMI amount <ul style="list-style-type: none"> - 1 undated cheque with amount kept blank - 1 cheque towards PEMI amount • SPDC favoring "AXIS BANK LTD LOAN A/C Customer Name"
Loan Cover/ Insurance Details	<ul style="list-style-type: none"> • Property insurance application form (mandatory) • General insurance application form (if applicable) • Life insurance application form (if applicable)
Processing Fee / Equitable Mortgage cheques	<ul style="list-style-type: none"> • Balance processing fee cheque (with clearance details) • Equitable mortgage charges / stamping charges favoring "AXIS BANK LTD A/C SERVICE CHARGES"
Property Documents	<ul style="list-style-type: none"> • Property documents as per type of transaction, according to bank's policy
For Balance Transfer / Takeover of loan from other bank / financial institution	<ul style="list-style-type: none"> • Original list of documents from previous financier • Latest 12 months loan A/C statement with latest outstanding letter • Existing loan details and 6 months bank statement from where EMI is deducted • Indenture of guarantee, undertaking of indemnity, forwarding letter and Annexures in Axis Bank format
Own Contribution Receipts	<ul style="list-style-type: none"> • Own contribution receipts • Bank statement reflecting debit of own contribution paid
Sanction Letter	<ul style="list-style-type: none"> • Duly accepted and signed by all applicants / power of attorney • All sanction conditions to be met
TDS	<ul style="list-style-type: none"> • If TDS is being paid by applicant – TDS challan & bank statement reflecting debit of TDS paid • If TDS is not paid by applicant – Undertaking cum indemnity to deduct TDS amount from disbursement
PSL Documents	<ul style="list-style-type: none"> • Financial documents (any of the below): <ul style="list-style-type: none"> - Audited balance sheet - CA certificate – original investment in Plant & Machinery - Copy of invoice (investment in Plant & Machinery) • Additional documents (any of the below): <ul style="list-style-type: none"> - Audited / Unaudited (Profit & Loss Account) - GST registration certificate • For LAP cases – PSL Annexures
Other Documents (to be collected if applicable)	<ul style="list-style-type: none"> • Letter from customer towards opting for EMI in case of partly disbursed case • Vernacular/indemnity bond • Dual name/dual sign affidavit • Credit Linked Subsidy Scheme (PMAY) affidavit • Amenities agreement duly signed by 3rd party/sellers • End use letter for Top Up/LAP/LAP top up cases

Login checklist for Home Loan & Loan Against Property

Document category	Documents required					
KYC Document	Any one of the following KYC documents(OVD) to be collected as per extant policy of RBI:					
	<table border="1"> <tr> <td>Passport</td> <td>Driving license</td> <td>Proof of possession of Aadhaar number</td> </tr> <tr> <td>Voter's ID</td> <td>Job Card by NREGA signed by an officer of the State Government</td> <td>Letter issued by the National Population Register containing details of Name, Address</td> </tr> </table>	Passport	Driving license	Proof of possession of Aadhaar number	Voter's ID	Job Card by NREGA signed by an officer of the State Government
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Voter's ID	Job Card by NREGA signed by an officer of the State Government	Letter issued by the National Population Register containing details of Name, Address				
Date of Birth Proof	Any one of the following:					
	<table border="1"> <tr> <td>Passport</td> <td>PAN Card</td> <td>Aadhaar Card with DOB</td> </tr> <tr> <td>Driving License</td> <td>Birth Certificate</td> <td>SSC Marksheet</td> </tr> </table>	Passport	PAN Card	Aadhaar Card with DOB	Driving License	Birth Certificate
Passport	PAN Card	Aadhaar Card with DOB				
Driving License	Birth Certificate	SSC Marksheet				
Signature Proof	Any one of the following:					
	<table border="1"> <tr> <td>Passport</td> <td>PAN Card</td> </tr> <tr> <td>Banker's verification</td> <td>Notarized affidavit with ID & Address proof (not applicable for financial applicant)</td> </tr> </table>	Passport	PAN Card	Banker's verification	Notarized affidavit with ID & Address proof (not applicable for financial applicant)	
Passport	PAN Card					
Banker's verification	Notarized affidavit with ID & Address proof (not applicable for financial applicant)					
Proof of income	Salaried <ul style="list-style-type: none"> • Latest 2 months pay slip • Latest 6 months pay slip / 2 yrs bonus proof (in case of variable pay) • Latest 6 months bank statement showing salary credits • Latest 1 yrs Form 16 (or employment continuity proof) with Auth./Digital Signature 					
	Self Employed <ul style="list-style-type: none"> • 2 yrs ITR, Computation of Income, P&L, Balance sheet (with applicable schedules) with CA seal and sign • For Asha HL - 1 yr ITR, Computation of Income, P&L, Balance sheet with CA seal and sign • Tax Audit Report (If Gross Turnover Exceeds Rs. 1 Cr or Gross Receipts Exceeds 25 Lac) • 6 months bank statements of personal and business accounts • If ITR is filled without digital sign - CPC and tax paid challan • Business continuity proof (3 yrs for HL/LAP) • Existing loan details and 6 months bank statement from where EMI is deducted • Latest Share Holding Pattern duly signed by Company secretary / List of Directors 					
	For NRI Salaried <ul style="list-style-type: none"> • 3 months pay slip • Appointment letter/contract letter • Continuous Discharge Certificate for Shipping cases • 6 month Domestic NRE / NRO A/c statement • 6 month international salary A/c statement • Overseas credit report • Valid visa copy / OCI card • Passport copy • POA details 					

Login checklist for Home Loan & Loan Against Property

Document category	Documents required
For Balance Transfer / Takeover of Loan from other bank / financial institution	<ul style="list-style-type: none"> Existing loan details and 6 months bank statement from where EMI is deducted Document showing applicant / co-appliant on loan structure- Sanction letter/ SOA/ RPS/ Loan Agreement copy
Lease Rental Discounting	<p>Any one of the following:</p> <ul style="list-style-type: none"> 6 months Bank Statement where Rent is getting credited Registered Valid Lease agreements Latest 2 Years ITRs', Computation of Income, P&L, Balance sheet with all schedules with CA seal and sign 26 AS Last 1 Year Last 12 Months SOA in case of BT Proposal along with latest outstanding If Partnership Firm -2 yrs audited Financials & operative account
Where Applicants are Partners /Directors / Partnership Firm /Pvt Ltd. Co.	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p>Partner / Partnership Firm</p> <ul style="list-style-type: none"> Partnership Deed, List of Partners, NOC as per Axis Bank format Partnership Firm's audited ITR along with complete financials Partnership authority letter on letter head of the Firm signed by all partners in case Firm to stand as guarantor </div> <div style="border: 1px solid black; padding: 5px;"> <p>Director / Pvt Ltd Company</p> <ul style="list-style-type: none"> Board Resolution (if Company is applicant) as per Axis bank format Certificate of Incorporation, MOA, AOA DIN of all Directors / Board Resolution if Company is applicant (as per Axis bank format) For the company - Latest 2 yrs ITR, Computation of Income, P&L, Balance sheet with all schedules with CA seal and sign Latest Share Holding Pattern duly signed by Company secretary / List of Directors Tax Audit Report (Where Gross Turnover Exceeds Rs. 1 Cr or Gross Receipts exceeds 25 Lac) </div>
Other Important Documents and Checks	<ul style="list-style-type: none"> Completely filled and duly signed application form along with all applicants latest passport size photo Self-attestation of borrowers on all documents and Original seen and verified seal along with Signature on all the Documents submitted Processing Fees PAN card for financial applicants (Individuals and Non-Individuals) and Passport and VISA for NRI are mandatory Aadhar card is mandatory for Credit Linked Subsidy Scheme (PMAY) applicants Declaration in respect of relation with director/ senior officer of the bank / any other to be mandatorily filled in the Application form BO Declaration alongwith Application Form and KYC to be collected for Beneficial Owner(s) where Non-Individual entity is on loan structure UDIN required where document is CA attested

**** Important Points To For All Applicants ****

- 1. Please Note, If There Are Existing Loans, Submit Payment Track Record And Sanction Letter To Respective Loan Provider For Finalizing Loan Amount Eligibility.**
- 2. Credit Score Plays An Important Role In Finalizing Loan Amount & ROI****
- 3. Timely Payment Of EMI Helps In Maintaining A Good & Healthy Credit Score.**
- 4. Please Keep Sufficient Amount In Account Before ECS Hitting Date.**
- 5. Wisely Usage Of Money Is Highly Required For Financial Planning.**
- 6. Don't Miss To Pay Any EMI Amount , Neither Get Delayed On Due Dates.**
- 7. There Can We Change In Loan Documentation Requirements From Time To Time And My Vary In Banks, NBFC & Private Lenders. Will Update , If There Will Be Some Changes In Documentations.**