

Collateral Document Handover Process
In the event of Demise of Sole Borrower or Joint Borrowers

RBI vide its circular Ref. No. RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated September 13, 2023 has issued guidelines for Release of Movable / Immovable Property documents in the event of demise of the sole borrower or joint borrowers on Repayment/ Settlement of Personal Loans.

Process for Release of Movable / Immovable Property documents:

- Customer/legal heir is required to submit loan closure / settlement /BT request at the branch where the loan account was serviced or any other office of AAIL, where the documents are available, as per her / his preference.
- The customer/legal heir shall submit along with loan closure request, documents such as, self-attested KYC and NOC of all other applicant in the deal.
- In the case of multiple legal heirs, a No Objection Certificate (NOC) from the other legal heirs shall be required, or alternatively, a Succession Certificate must be obtained.
- On receiving the Customer/legal heir request at the branch or any other office of AAIL, along with the amount due from the customer at the time of closure/ settlement loan account will be closed and the collateral document will be handed over to the customer within 30 working days once identity of customer/legal heir is established.
- The Customer/legal heir will be required to verify all documents at the branch & sign the acknowledgment of the same.
- After the documents are received by customer/legal heir, AAIL is not liable for any loss, damage or manipulation in the documents.
- An indemnity form to be obtained from the legal heir/s at the time of handing over the documents to them.

Given below are various scenarios and respective requirement.

Sr. No.	Scenarios	Requirement
1	Property Owner (held in Single Individual name) is deceased	<p>If co-applicants of loan account are also family members, then Death Certificate and Legal Heir Certificate will be collected.</p> <p>If the co-applicant is the wife and the primary customer, the original marriage certificate shall be required to be submitted as proof.</p> <p>Also, all the co-applicants presence is mandatory for the handover of movable / immovable property documents.</p> <p>ID proof as per the KYC policy to be collected from co-applicant/legal heir.</p>
2	Property Owner (held in Single Individual name) is deceased	<p>If Co-applicant of loan account are other than Family Members as defined in Secured Loan Policy then, Death Certificate of Deceased Legal Heir Certificate of Deceased will be collected.</p> <p>Also, presence of Legal Heirs and the co-applicant in the loan account (who are not Family Members) is mandatory for handover of movable / immovable property documents.</p> <p>ID proof as per the KYC policy to be collected from co-applicant/legal heir.</p> <p>An indemnity letter also to be taken.</p>
3	Property Owned in Joint name of 2 (or more individuals) and one of the Joint Owner is deceased	<p>In this case, Death Certificate of the deceased and Legal Heir Certificate of the deceased is required to be collected before handing over property documents.</p> <p>Also, presence of the Surviving Property Owner and the Legal Heirs of the Deceased Property owner is mandatory for handover of movable / immovable property documents.</p> <p>ID proof as per the KYC policy to be collected from applicant/co-applicant/legal heir.</p>
4	Property Owned in Joint name of 2 (or more individuals) and both/all of them are deceased	<p>In this case, Death Certificates and Legal Heir Certificate of all deceased is required to be collected before handing over property documents.</p> <p>Also, presence of all Legal Heirs is mandatory for handover of movable / immovable property documents.</p> <p>ID proof as per the KYC policy to be collected from legal heirs</p>

