



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

RETAIL LENDING

Canara Vehicle (Cir 666/2013, 457/2014, 86/2015, 498/15, 575/15, 280/2017)

Eligibility: All individual borrowers/ professionals/reputed firms/ companies meeting the following eligibility criteria.*Note (HUF is not eligible for Canara Vehicle Loan).

For Four Wheelers:

Income Criteria: Salaried Class: Rs.3.00 lac p.a.

Non salaried class: Annual income Rs.3.00 lacs evidenced by ITR/ITAO subject to gross average annual income of last 3 years not less than Rs.2.50 lacs.

Net take home salary after installment: 25% with a minimum of Rs 12000/- p.m (CGM/GM-HO-CAC & above authorities are empowered to permit relaxation in NTH upto 20% with a minimum of Rs. 12,000/-p.m. whichever is higher on merits of individual cases. (Cir 498/2015)

- Conveyance can be added to salary subject to production of documentary evidence.

Quantum and Margin : margin on total value inclusive of invoice value, life tax, registration charges, insurance premium and other accessories.10% - For Loan upto Rs. 10.00 Lacs ,15% - For Loans above Rs.10.00 Lacs & upto Rs.25.00 Lacs 20% - For Loans above Rs. 25.00 Lacs.

- Old Vehicles Only 4 wheeler: 75% of assessed value/original purchase price.
- Old vehicles not more than 5 years old.
- Vehicles which are not older than 1 month from the date of their purchase / first registration can be treated as new vehicles for the purpose of financing. Our borrower should be first transferee.
- Old vehicles(4 wheeler only) maximum loan amount – Rs.15 lakhs
- Repayment: 84(Old-60) Equated Monthly Instalments.
- Rate of Interest: Risk Adjusted ROI HO Cir 280/2017, Women borrowers 0.05% lower than Others for all Risk gradings.

| Risk | Women | Others |
|---------------|----------------------|----------------------|
| Low Risk | MCLR + 0.30% = 8.60% | MCLR + 0.35 = 8.65% |
| Fair Risk | MCLR + 0.40% = 8.70% | MCLR + 0.45% = 8.75% |
| Normal Risk | MCLR + 0.50% = 8.80% | MCLR + 0.55% = 8.85% |
| Moderate Risk | MCLR + 0.60% = 8.90% | MCLR + 0.70% = 9.00% |
| High Risk | MCLR + 0.85% = 9.15% | MCLR + 0.95% - 9.25% |



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Service Charge: 1.30% of the loan amount to Car dealers subject to a maximum of R.50,000/- and Rs.1500/- to Dealers' sales executives for referring proposals to our bank. (575/15)
- Where aggregate amount credited / likely to be credited during the financial year is Rs.5000/- or more, TDS @ 10% as per Section 194 H of Income Tax Act is to be deducted as per extant guidelines from out of Service Charges payable in terms of Circular 160/2013 and 161/2013.
- Apart from service charges payable in terms of Circular 160/2013 and 161/2013, Service Tax at applicable rates (presently 15.00%) has to be paid.

For Two Wheelers:

Income Criteria: Rs.0.75 lacs for both Salaried & Non-salaried)

- Salaried Persons-Loan may be granted upto 80% of the total value inclusive of invoice value, life tax, registration charges, insurance premium and other accessories. Or to the extent of 50% of their annual net income in the immediate previous year, whichever is less.
- Professional and other non-salaried individuals- Loan may be granted upto 75% of the total value inclusive of invoice value, life tax, registration charges, insurance premium and other accessories or to the extent of 50% of their annual net income in the immediate previous year, whichever is less.
- Rate of Interest: Risk adjusted ROI – HO Cir 280/2017, Women borrowers 0.05% lower than Others for all Risk gradings.

| Risk | Women | Others |
|---------------|-----------------------|-----------------------|
| Low Risk | MCLR + 3.00% = 11.30% | MCLR + 3.05% = 11.35% |
| Fair Risk | MCLR + 3.10% = 11.40% | MCLR + 3.15% = 11.25% |
| Normal Risk | MCLR + 3.20% = 11.50% | MCLR + 3.25% = 11.35% |
| Moderate Risk | MCLR + 3.30% = 11.60% | MCLR + 3.35% = 11.45% |
| High Risk | MCLR + 3.40 = 11.70% | MCLR + 3.45% = 11.55% |

- Repayment: 60 EMIs.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Other Guidelines for Canara Vehicle Loans:

- Salary tie up is to be ensured for loans to salaried class. However, wherever the tie up is not feasible, proposals for exemption of salary tie up on a case to case basis may be taken up with HO cir 318/09.
- Post Dated Cheques (**PDCs**)/**ECS** mandates are to be compulsorily obtained wherever mandatory salary tie up is waived.
- The **post dated cheques/ECS** mandates accepted are of the salary credit account only.
- Sanctioning of second loan to the same borrower, in case of Canara Vehicle and Canara Cash schemes, during the currency of the existing loan can be considered subject to the branch being fully satisfied about the creditworthiness and repayment capacity of the borrower and such proposals being referred to the NHA at the concerned RAH/RO/CO as the case may be for sanction. (HO Cir 363/16)
- Sanctioning loan for more than 2 vehicles to Corporates under Line of Credit to be permitted by Credit Approval Committees headed by Circle Heads viz., DGM-CO-CAC and GM-CO-CAC, provided there are no overdues in existing Canara Vehicle loans.
- **B Register extraction** (Cir 272/2009): For financing **old vehicles**, along with application form, borrower has to submit **B Register extraction (Original)** from RTO office, which indicates particulars of the vehicle. This has to be compared with RC book. This B Register requirement is applicable for financing all Used Vehicles including LHV.
- **Branches Mandatorily obtain B Resister extract wherever smart cards do not contain hypothecation details incorporated on it. If smart cards contain our hypothecation details, then no need to obtain B Register extract.**
- TIN number of dealer to be obtained mandatorily and to be verified on website (5/2016, 410/16)
- Purchases from sub-dealers are to be discouraged. Issuance of DDs should be avoided to the maximum extent. Under no circumstances, the DD shall be sent through the borrower.
- Registration of the vehicle to be closely followed up and noting of Bank's Lien in RC Book and Insurance policy to be ensured by the branch officials concerned, within a reasonable period of 7-10 days. In case of temporary registration, permanent registration is to be completed within 30 days.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- From 05.04.2013, Branches having NPA level below 4% under Canara Vehicle Loans shall process, sanction, disburse and follow up loans under Canara Vehicle loan scheme upto their delegated powers (refer Circular 115/2013), though they are attached to RAH.
- In respect of branches having NPA level of 4% and above, Circle Head may selectively permit such branches to exercise powers for sanctioning loans under the above scheme.
- Retail Asset Hubs would continue to process, sanction, disburse and follow up Canara Vehicle Loans beyond branch powers and for branches (RAH attached) whose NPA level is more than 4% and not permitted by Circle Head to sanction these loans.
- Branches which are not attached to Retail Asset Hubs will continue to sanction loans under Canara Vehicle Loan scheme up to their delegated powers as per existing guidelines. (Cir 159/2013)
- Branches placed under embargo by CO (NPA level >4%): Next Higher authority at RAH/RO/CO can sanction the Vehicle loan.

To avoid the frauds in Canara Vehicle Loans the following guidelines to be followed:

- 100% tie up with the dealers of different manufacturers.
- Obtaining details of their Bank accounts in the NEFT/RTGS Mandate form duly signed by the authorized signatories.
- Issuing of DDs should be avoided or otherwise DDs should be handed over directly to the dealers after verification of credentials of the dealer.
- Remit the proceeds along with the margin money to the account of the dealer through NEFT/RTGS.
- After remitting the proceeds, confirmation should be sent by main or over phone to the dealer.
- Request for noting our lien in the RC Book and Insurance policy.
- Collect the original invoice, stamped receipt and other documents through mail.
- Branch to insist for the copy of the sales certificate issued by the dealer and ensure our lien is mentioned therein.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Canara Vehicle Loan to Agriculturists (HO Cir 20/2015)

Purpose:

Purchase of four wheelers of all types i.e., both Brand New & Pre-owned by Agriculturists.

Eligibility:

- All agriculturists owning and cultivating agricultural lands – 5 acres of irrigated land/10 acres of dry land – subject to the following :
- Existing customers and should have two years of satisfactory dealings.
- In case of new branches which has not completed 2 years from the date of opening and in case of new customers, Circle Head can permit.

Vehicle loan considered for the following persons also:

Agriculturists, Dairy and allied activity farmers, Planters, Horticulturists.

For considering the loans to agriculturists engaged in Dairy Farming, Poultry Farming, Plantation Crops and Horticultural produce the minimum land holding levels need not be applied provided their minimum gross annual income is Rs.4 lacs.

Income and Net Take Home:

- Up to Rs.10 lac latest ITR or Income certificate from competent authority may be accepted.
- Branch to verify the original land records with regard to acreage, yield, cost of cultivation and net return etc.
- Due diligence is to be exercised.
- In case of branch is having AEO and AEO promote managers, the income certificate may be obtained from them as is done in case of Agricultural Term Loans.
- NTH 40% of the gross annual income with a minimum of Rs.1.50 lac p.a.
- CGM/GM-HO-CAC & above authorities to relax the NTH from 40% to 25% with a minimum of Rs.1 lac p.a selectively.
- Other income also to be added provided proof to be obtained or supported by ITR.
- Family members who are having agricultural income can join as Co-borrower.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Margin/Quantum of Loan:

New Vehicle:

- Upto Rs.10 lac - 10%
- Above Rs.10 lac & upto Rs.25 lac - 15%
- Above Rs.25 lac - 20%

Old Vehicle:

Loan can be considered for second hand/used vehicles, which are not older than 5 years.

Margin & Quantum of finance to be granted will be the least of the following :

- 75% of the value of vehicle as appraised/assessed by an automobile engineer.
- 75% of the price agreed to between the seller and the buyer.
- 75% of the original purchase price of the vehicle.
- Rs.15 lac (after maintaining a minimum margin of 25%)
- Maximum shall not exceed one year annual income of the borrower/borrowers.

Rate of Interest: As applicable to Canara Vehicle loans (Risk adjusted as per HO Cir 280/2017)

Security: Hypothecation of the vehicle to be purchased.

Documentation: As applicable to Canara Vehicle.

Repayment:

- New vehicle not exceeding 84 months.
- Second hand vehicle – restricted to future life of the vehicle or 60 months whichever is less.
- The periodicity of repayment i.e. monthly/quarterly/half yearly/yearly depending upon the activity carried on by the borrower.
- In respect of dairy and allied activity it should be monthly.
- Interest to be compounded monthly but demanded at monthly/quarterly/half yearly/yearly depending on repayment schedule.
- Recovery of installments to be ensured by way of PDC/ECS.
- IRAC norms as applicable to general advances i.e. 90 days past due concept.

Processing Charges:

- 0.25% of loan amount minimum Rs.1000/- Maxi Rs.5000/-



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Canara Budget (184/2008, 40/2011, 225/2011, 457/2014, 498/2015)

- To meet any personal needs of the proposed borrower. **Scheme dispensed with for non salaried class.**
- **ELIGIBILITY:** All confirmed employees of Central/state government / Reputed PSUs/Joint Stock Companies / Reputed Corporate / Public Limited Companies/Private Institutions. / Lecturers/Asst. Professors/Professors of Colleges/Research Institutes and Universities / IT/BT Companies. Borrower must be a confirmed employee with 3 years service. DGM-CO-CAC (DGM Heading)/GM-COCAC and above authorities are empowered to permit relaxation in the qualifying service from 3 years to 1 year. (Borrower must be a confirmed employee)
- Minimum average net take home salary should not be less than 25% or Rs.10,000/- whichever is higher after deductions of EMI of existing & proposed loans. CGM/GM-CO-CAC and higher authorities are empowered to reduce the NTH to 25% or Rs.7,500/- whichever is higher, after meeting the proposed EMI. (Cir 363/2016)
- The applicant should maintain his/her salary account with the branch with an undertaking letter from the employer not to shift the salary without our NOC.
- In case of new relationships, minimum 3 months salary should have been received regularly and credited to the Salary account of the party. However in respect of Special Packages permitted by concerned sanctioning authorities to group of employees, Either salary credit with undertaking letter OR registration of salary recovery mandate with the Employer as per package can be permitted. (Any one is compulsory)
- No loan should be granted to any individual customer/employee with only Salary recovery mandate (unless a package is permitted for the group).
- Wherever salary accounts are available an undertaking letter from the employer should be obtained undertaking not to shift the salary account of the employee to other bank/s without obtaining prior clearance from the advancing branch.
- In case packages are permitted for employees of a specific group/Company, the stipulation of registration of salary recovery mandate with the Employer and recovery through salary is to be ensured.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- In order to create direct contractual obligation between the employer and the bank, in cases where bank has not entered MOU with borrower's employer, additional clause to be incorporated in irrevocable mandate for deduction from salary while sanctioning the retail loans. (Cir 262/2015)
- Normally, the borrower should not have availed any other clean credit facility from other banks. However, the applicant may be granted loan under this scheme even if there are other clean loans outstanding, provided, the total of all clean loans outstanding at any point of time does not exceed the total eligible quantum under this scheme.

SANCTIONING AUTHORITY & QUANTUM OF LOAN FOR SALARIED CLASS **(Cir 363/2016)**

| | |
|--|---|
| Branch In charge – Small, branch | 6 months gross salary subject to maximum of Rs.2.00 lac. |
| Branch In Charge-Medium branch, Credit Managers in VLBs / ELBs | 6 months gross salary subject to maximum of ` . 3.00 lacs |
| Branch in charge-Large branches, Senior Manager in ELB / VLB | 6 months gross salary subject to maximum of ` . 4.00 lacs |
| DM-CO-CAC and CM of VLB. | 10 months' gross salary subject to a maximum of Rs.5.00 lacs |
| AGM/ELB. | 10 months' gross salary subject to a maximum of Rs.6.00 lacs |
| AGM-RO-CAC & AGM-CO-CAC | 10 months' gross salary subject to a maximum of Rs.7.00 lacs |
| DGM-RO-CAC/DGM Headed branches | 12 months' gross salary subject to a maximum of Rs.8.00 lacs. |
| DGM-CO-CAC | 15 months gross salary subject to a maximum of Rs.9.00 lacs. |
| GM-CO-CAC | 15 months gross salary subject to a maximum of Rs.10.00 lacs. |
| CGM/GM-HO-CAC. | Above 15 months gross salary & above Rs.10.00 lacs. |



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

For Special Packages:

DGM-CO-CAC (DGM Heading)/CGM/GM-CO-CAC and above authorities upto their delegated powers can **selectively** permit the following relaxations:

(a) Waiver of undertaking letter from the employer wherever salary accounts are maintained with the branch.

(b) Waiver of getting registered the Salary Mandate with the employer executed by the applicant where only salary credit is there without undertaking letter from the employer.

The above relaxations can be permitted by the above authorities upto their delegated powers only, to the employees covered under the special packages and not in individual cases.

Note: Gross salary as per Salary certificate of the previous month.

- **RATE OF INTEREST:** MCLR + 4.30% with salary tie up.
MCLR + 5.30% without salary mandate.
- **NATURE OF LOAN: Non-priority clean loan.**
- **SECURITY:** Suitable Co-obligation good for the loan amount and acceptable to the bank should be obtained irrespective of quantum of loan, cross co-obligation to be avoided.

REPAYMENT: Repayable in **60** equated monthly installments in respect of both individual cases and Special packages. CGM/GM-HO-CAC & above authorities can permit relaxation in repayment period **upto 72 months** upto their delegated powers, selectively.

PROCESSING CHARGES: 0.50 % of the loan amount with a minimum of `1000/- and maximum of `5000/-

- **DOCUMENTATION:** NF 965 // 990 // 991. An undertaking that he/she has not availed any other credit facility from our bank/other Bank. Co-obligant also should join the borrower for executing the loan papers wherever co-obligation is stipulated.
- **Miscellaneous:** KYC norms to be complied with and SB account of the borrower should be got opened without fail even in cases where salary account is not available. (Ref HO Cir.No.282/2006 dated 12.10.2006).
- Loans to employees for purchase of books under Canara budget scheme upto a maximum limit of Rs.5000.00 advised vide HO Circular No. 346/2006 dated 19.12.2006 shall continue.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- In case of Branches having NPA of 3% and above under this scheme, loans under this scheme shall be sanctioned by next higher authority at RAH/RO/CO. (363/2016)

Canara Consumer Loan (313/2012)

- Loan scheme to individuals for financing of brand new durable utility articles, home appliance including furniture, purchase of computers / Laptops, electronic gadgets
- Salaried individuals should have a minimum monthly net salary of 40 % of their gross salary or Rs.6,000/-. Professionals and other non-salaried persons should have a minimum annual net income of Rs. 1,50,000/-. Production of ITAO / ITR may be waived by the NHA.
- Salary should be credited to the operating account of the customer at our branch or a mandate may be got lodged with the employer .
- Maximum 75% of the invoice value or 15 months of net salary or Rs.1,00,000/-, whichever is less may be sanctioned.
- For non salaried maximum 75% of the invoice value or to the extent of 50% of their annual net income in the immediate previous year or Rs.1,00,000/-whichever is less.
- **Rate of Interest:** MCLR+4.45%
- Repayable within a period of 36 EMI from the date of grant.It can be relaxed upto 48 EMI by NHA .No Prepayment Charges .Insurance cover is waived.
- Suitable personal guarantee / co-obligation to be obtained. NHA may waive it.
- NHA at the CO for may grant second loan during pendency of first loan. Quantum of second loan together with the subsisting liabilities in the first consumer loan is well within 15 months of net salary in case of salaried class and 50% of the annual net income in the case of professionals and other non-salaried individuals. The liability in the existing loan and proposed limit should not exceed Rs.1,00,000/-.

Canara Mortgage (Cir 333/2006, 225/2011, 146/2012, 562/2014, 699/2014, 498/2015, 363/2016, 435/2016, 282/2017)

Eligibility: Individual Customers having satisfactory dealings with our Bank. Non customers should be well introduced to the Bank with satisfactory OPL/market report on them. **Even NRI**



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

customers, with resident close relatives of NRI customer as co-borrowers, can avail the loan. No loans under the scheme to Companies/Firms/Business establishments /Trusts/HUFs.

- Quantum: 50% of value of property (land & building) – No loan against vacant land.
- No Rating sheet is required.
- Purpose: for meeting personal/domestic needs. Not for speculative purpose.
- Margin: 50%
- It should be ensured that party is having adequate income to meet the repayment obligation with availability of minimum 20% NTH or Rs.20,000/- pm whichever is higher after meeting the proposed loan. (Cir 498/2015)
- ROI: MCLR + 3.00% wef 1.04.2016.
- No branch sanction. Quantum as per HO cir 363/2016
- Loan Quantum:

| | |
|------------------------------|---|
| Head OF RAH | Rs.100.00 lacs |
| AGM-RO-CAC & AGM-CO-CAC | Rs.150.00 lacs |
| DGM-RO-CAC | Rs.200.00 lacs |
| DGM-CO-CAC | Rs.250.00 lacs |
| GM-CO-CAC (NON-METRO CIRCLE) | Rs.400.00 lacs |
| GM-CO-CAC (METRO CIRCLE) | Rs.600.00 lacs |
| CGM-HO-CAC | Above Circle Head up to Rs.1000.00 lacs |
| ED-CAC | Normal Delegated Powers |

- Repayment: 84 months in EMI. Longer repayment period i.e., upto 120 months may be permitted by DGM-CO-CAC (CIRCLE HEAD) & GM-CO-CAC & above upto their sanction powers.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Additional documentation to eliminate financing against unauthorized constructions cir 333/06- Copy of the sanctioned plan to be obtained, affidavit cum undertaking declaring that the house has been constructed as per plan and submit completion certificate
- Canara rent & canara mortgage are classified under commercial real estate and fall under non thrust areas.

CANARA LOAN AGAINST PROPERTY (CANARA LAP) (Cir 122/2013)

- The Scheme discontinued (396/2015)
- Existing loans under Canara LAP scheme shall be merged with the Canara MSME (if the loan is for business needs) and Canara Mortgage (in case of loan is for personal purpose) for reporting purpose.
- However, individual loan accounts shall continue under CBS under existing product code till closure.

Canara Rent (Cir 236/2010, 225/2011, 146/2012, 699/2014, 363/2016, 441/2017)

- On lease to PSUs/Reputed Corporates/MNCs
- In case the tenant is a Corporate, minimum external rating of the tenant should be BBB and above
- To meet business needs, genuine personal needs and not for any speculative purposes
- Maximum 75% of gross rent receivables less TDS and Advance (Cir 441/2017). Option period can also be considered by respective sanctioning authority for determining the quantum of loan.
- ED & CMD can permit 85% of the gross rental receivables less TDS and advance rent
- Security: EMT of atleast 100% value of property. Exceptional case – EMT can be waived for loans upto Rs.2 lacs
- Security of alternate property can be obtained having a value not less than 150% of the loan amount
- Repayment: 120 months or unexpired lease period, whichever is earlier.
- Maximum repayment tenor – 144 months; GM HO CAC & above authorities can permit



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- ROI: MCLR + 1.80% (Leased to our bank), MCLR + 2.00% (navarathna companies, other PSU) and MCLR + 2.30% for others. (cir 185/2016)
- Additional documentation to eliminate financing against unauthorized constructions cir 333/06
- Security of Mortgage of tenanted property: Normally discouraged. In Canara Rent, we can accept tenanted property as security (Cir 236/2010)
- Delegation of powers: DM RO/CO CAC – Rs. 100 lakhs, Head of RAH/AGM in RO/CO: Rs. 200 Lakhs, DGM-CAC: Rs.300 lacs, GM-CO-CAC(Non Metro):Rs. 500 lacs, GM-CO-CAC (Metro):Rs.600 lacs, CGM-HO-CAC: Rs.1000 lacs, ED-CAC & CAC Board – normal delegated powers.

Canara Cash (Cir 299/2006, 225/2011)

- Maximum Rs.10 lacs if scrips are in physical form. Where our DPs are there and party maintains Demat, it is Rs.20 lakhs.
- Canara Cash for debt oriented Mutual Funds: Rs.10 lacs only.
- Margin 50% of Market Value/Net Asset Value for shares and units of UTI/CBMP. 30% of market value in case of PSU bonds.
- Repayment: 60 months
- Processing Charges: 0.1% with min. ₹100 and max. Rs.250/-. Rs.100/- for each occasion for substitution of shares.
- Rate of Interest :
- Employees not eligible. Spouse of employee may be granted loan by next higher authority
- Substitution of securities should not be permitted for more than 10 occasions.
- Second loan during pendency of first loan: Can be sanctioned by CO.
- A demat account opened in our own DP in the name of lending branch is called **“HOUSE ACCOUNT”**
- If any share which is offered as security is not appearing in our approved list, party has to provide security of alternate shares or regularize the account within 3 months. GM-CO-



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

CAC/DGM-CO-CAC (DGM Headed Circle) is empowered to permit further extension of time of not more than 03 months for the substitution, if required.(Cir 86/2013)

- Approved list of shares includes those shares traded and quoted stock exchanges and whose market value is more than 150% of face value.
- List of approved shares should be reviewed quarterly by HO.
- **Invocation of Pledge (Cir. 205/ 2010):** Promoters' shares pledged as collateral invoked during the Lock-in period may be transferred to the lending institution.
- Advances against units of mutual funds (except units of exclusively debt oriented mutual funds) would attract the quantum and margin requirements as are applicable to advances against shares and debentures
- The units issued by Mutual Funds relating to tax saving equity plans are not to be treated as approved securities for the purpose of considering loans / advances since they are not traded / listed in the stock exchanges.

FINANCE FOR AND LOANS/ ADVANCES AGAINST IDRs (Cir 164/2011)

- Bank shall not grant loan/ advances for subscription to IDRs and also against security / collateral of IDRs

Canara Site (280/05, 299/06, 225/2011, 344/2017)

- Age upto 60 years eligible
- Only for purchase of House Sites from State Development/Town Planning Development Authorities/statutory authorities of central/state Govt, local authorities or from any other body constituted by the Government for distribution of sites
- Employees and NRIs are also eligible for the loan
- Employees Net Take home salary 40% after meeting proposed installment, no further relaxation.
- Salaried/Non salaried: 6 months salary slip, Net annual income Rs.1 lakh supported by ITAO and 3 years experience in the line. Net Take home 40% after meeting proposed installment, further relaxation up to 25% may be permitted by the respective sanctioning authority.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Quantum: 4 years gross salary/income with maximum or 75% of the cost of the site/guideline value whichever is less
- Margin: 25%
- Rate of Interest: MCLR +1.00%
- Sanctioning authority (HO Cir 344/2017)

| Authority | Sanctioning Powers (Amt in lacs) |
|--|---|
| Branch-in-charge Medium branch | 10 |
| Branch-in-charge – Large branch | 15 |
| CM/DM in VLB/ELB/RO-CAC | 25 |
| AGM in VLB/ELB/& DM RO-CAC | 30 |
| Head of RAH/DGM Heading branches/ AGM-RO-CAC | 35 |
| DGM-RO-CAC | 50 |
| DGM-CO-CAC (Circle Head) | 60 |
| GM-CO-CAC (Circle Head) | 75 |
| GM-HO-CAC | Above 75 |

- EMT of house site
- Repayment: 10 years or maximum period permitted by the allotment agency or up to the borrower's age of 65 years, whichever is earlier
- Follow up with the registering authority for receipt of the registered original sale deed within a period of 3 months. In case of delay in submitting the registered original sale deed beyond 6 months, penal interest of 2% shall be charged on the outstanding liability till the receipt of registered original sale deed.
- An undertaking should be obtained from the borrower for construction of the house within the stipulated time (as stipulated by the development authorities while allotting the sites).



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Canara Pension (299/06, 225/2011, 345/2011, 68/2013, 167/2016, 445/2016, 717/2016, 551/2017)

- A) In respect of Retired Employees of our Bank/Family Pensioners of Retired Employees of our Bank, 20 months' pension amount or Rs.5,00,000/- whichever is less, subject to NTH of 40% after deducting the proposed EMI.
- To make payment of premium of IBA Group Mediclaim Insurance Policy for Retired Employees of our Bank/Family Pensioners of Retired Employees of our Bank who have opted for and are covered under the scheme can be financed upto ` 40000 or quantum mentioned above whichever is less. Under both component maximum finance should not exceed ` 5 lacs or 20 months' pension amount (cir 551/2017)
- In respect of pensioners/family pensioners (other than Retired employees of our Bank/Family pensioners of Retired employees of our Bank), 15 months' pension amount or Rs.5,00,000/- whichever is less, subject to NTH of 40% after deducting the proposed EMI.
- Co obligation of wife or any other person from family
- Repayable in 72 months for pensioners below the age of 65 years; and 60 months for pensioners who are above the age of 65 years
- Rate of Interest :
Others: MCLR +3.20% (Cir 185/2016)
Retired Employees of our bank: MCLR + 2.00% (HO Cir 497/2017)
- No Rating sheet is required.

Canara ME OD

Scheme withdrawn vide Cir 22/2015.

Canara Solar (Cir no.331/05, 50/06, 99/2006, 137/06, 82/07,156/2007, 410/2010, 561/2013, 51/2015)

- Solar Water Heaters of capacity up to 500 LPD are classified as domestic and above 500 LPD capacity will be classified as commercial for subsidy purposes.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Salaried class net take home Rs.2000/- after installment and Professionals Rs.50,000/- NET annual income
- Quantum: 85% of cost of Solar System
- Repayment: 3 to 5 years with 3 months repayment holiday
- Subsidy released by Ministry of New and Renewable Energy Sources (MNRE)
- NF 965 application to be used for Cansolar (Cir 99/2006)
- Accordingly Classification: Individuals / domestic use: Non Priority and to SMEs it is under SME.
- Effective Rate of Interest: Domestic Users: 2%, Institutional Users not availing accelerated depreciation:3% and Industrial / Commercial users availing depreciation: 5%
- **Interest Subsidy on upfront basis** - to be claimed quarterly
- Under the scheme, Interest Subsidy amount will be released by IREDA calculated on an upfront basis for the entire loan period
- The effective date of implementation is 18th November 2005
- All individuals – (including professionals and salaried class) who are credit worthy and have definite sources of repayment including our own employees who are confirmed in the services of the Bank.
- Institutions, Associations, Small Business establishments, Industrial establishments, Hospitals, Hotels, Hatcheries, who are creditworthy are also eligible.
- Salaried individuals including our employees should have minimum monthly net take home salary of 25% of their gross salary or Rs.2000/- whichever is more after meeting the loan installments under the proposed scheme.
- Professionals and other non-salaried class should have a minimum net yearly income of Rs.50000/-.

Solar Equipment Financing Scheme – Solar Finance Individuals (Cir 51/2015):

- **Purpose:** Loans will be granted for financing clean energy products such as Biomass cook stove/Solar Lanterns/water purifier etc to individuals only.
- Quantum : 100% of the project cost subject to a maximum of Rs.25,000/-
- Rate of Interest: Base Rate + 2%.
- Loans can be sanctioned under DRI categories also subject to eligibility norms.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Repayment – Maximum 3 years in monthly/quarterly/half yearly instalments.
- Security – Hypothecation.
- Sanctioning Authority – Branch– in-charge.

Service charges, inspection charges, processing charges – NIL

Swarna Loan Scheme (cir no.84/07, 91/2009, 59/2011, 107/2011, 134/2011, 246/2011,284/2011, 308/2012, 501/2014)

- Minimum Rs.10,000/- and maximum Rs.10 lakhs
- Branch-in-charge of Small, Medium & Large branches and Credit Managers/SM VLB/ELB (363/16)
- The rate of advance shall be 85% of rate of advance advised by H.O. from time to time per gram sovereign touch gold (22 carat gold) or 65% of the appraised value whichever is lower (To maintain LTV ratio of 75% during the entire loan period). If LTV ratio goes beyond 75% and required margin is not maintained at any time during the currency of the loan, Branches have to recover the excess loan amount or to classify the loan as NPA as per prudential norms.
- Rate of Interest : MCLR + 3.30% (185/2016)
- The Entire loan is to be repaid within 12 months from the date of sanction as bullet payment along with interest. Interest will be accrued to the account at monthly (compounded) but will become due for payment along with principal only at the maturity.
- Processing charges: 1% of loan. Min.Rs.1000/- Max.Rs.5000/- per loan
- **Appraisal fee** of 50 paise per loan of Rs.100/- with a maximum of Rs.200/- (Cir.91/2009)
- Loans to individuals against pledge of specially minted gold coins sold by Banks can be considered as one of the approved securities, besides gold Jewellery. Total weight of specially minted gold coins (sold by the Banks) should not exceed 50 grams per customer (Cir 469/2013)
- No loan shall be granted against the security of units of Gold ETF and Gold Mutual Fund.
- “CANGOLD CELLS” to be formed for extending loan under Swarna Loan Scheme.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Gold Loan for Business Purpose (cir no.211/2012)

- Purpose- Working Capital(FB/NFB) and Tem Loan
- Eligibility-Individual/Proprietorship/Partnership concerns only.
- Loan Quantum-MPBF or 75% of the appraised value, whichever is lower subject to a maximum of Rs.10.00 Lakhs.
- Minimum Rs.10,000/- and maximum Rs.10 lakhs
- Rs.2000/- per gram or 75% of value of gold. Adequate security coverage ratio of 133 % by way of gold coin/Jewellery. Quarterly review of margin shall be recorded in half yearly inspection report.
- Margin- 25% on project cost.
- Security- Hypothecation of created asset.
- Repayment: TL- 60 month, Working capital as per existing guidelines (MPBF or T/O Method or Value of Security, whichever is lower).
- Tenability of WC Limit one year.
- Inspection- Working Capital- Half Yearly, Term Loan- As per extant guidelines.
- Delegation- As per credit sanction applicable to Secured Loan.
- Processing charges: As applicable to WC/TL
- Documentation- NF497 & Declaration regarding ownership of Pledged Gold.
- The available security cover for the sanctioned facility by way of appraised value of Gold coin/Jewellery but excluding other security like stock & Book Debts etc shall not be less than 133%.
- **Appraisal fee** of 50 paise per loan of Rs.100/- with a maximum of Rs.200/-
- Loans to individuals against pledge of specially minted gold coins sold by Banks can be considered as one of the approved securities (Max 50 gm per customer), besides gold Jewellery.
- Banks are not permitted to finance purchase of gold in any form other than for Working Capital Finance.
- Compensation to borrowers in case of theft of gold loan packets may be permitted by Circle head based on gross weight of gold pledged. The settlement of claim shall be done



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

at Gold Rate prevailing as on date of theft or rate prevailing on date of settlement, whichever is higher, for 22 carat gold.(573/2016)

Doctors Choice (Cir 170/03, 281/03, 170/04, 377/2013)

- All qualified registered practitioners.
- Loans under the scheme shall also be available for meeting business trip expenses, setting up of In-house medical store managed by a qualified pharmacist and construction of quarters for resident doctor.
- Maximum loan quantum increased to Rs.5 crores (Sub ceiling for working capital increased to Rs.50 lakhs - 20% of Maximum Limit).
- Revised guidelines are applicable to loans sanctioned on or after the date of issue of Circular i.e., 12.08.2013.
- Existing loans granted as per the previous guidelines (including rate of interest) shall continue as per the pre revised scheme guidelines.
- Margin: Above Rs.25,000/- : 20%/25% (TL for construction purpose)
- Security: Upto Rs.10 lakhs – Nil Collateral but CGMSE coverage above Rs.10 lacs to Rs.100 lacs– Collateral security of value 50% or CGMSE coverage. Above Rs.100 lakh mortgage of immovable property and/or approved security valuing at least 50% of limit.
- Repayment: TL – 5 to 7 years W/C – 2-3 yrs.
- Interest Concession- 0.50% for women entrepreneur & 0.25% for CGMSE covered account. Ultimate rate of interest should not fall below respective MCLR..
- Working capital – 25% of previous year turn over or 25% of the expected turnover or 2 times the actual net income or the ceiling amount of Rs.50 lacs whichever is less.

Teachers Loan (Cir 187/04, 193/04, 240/04, 241/05, 185/08, 457/2014, 363/2016)

- All confirmed teaching/ non teaching staff whose salary is being credited in the financing branch, with an undertaking letter from the SALARY DISBURSING AUTHORITY not to shift the salary account without NOC from the branch.
- In cases where salary credit is not feasible, loans shall be permitted only under special packages permitted by Circles/HO as per their delegated powers upon registering of



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

salary mandate by salary disbursement authority and recovery is ensured. No scattered finance with salary mandate registration shall be sanctioned by branches.

- Recovery of EMI shall be through salary account only. In case of special packages as mentioned above, recovery would be through salary mandate. However, few PDCs /ECS mandate shall be taken for recovery purposes.
- NTH after meeting the proposed EMI should be minimum 30% of gross salary or Rs. 10,000/- whichever is higher. CGM/GM-HO CAC can permit relaxation in NTH upto 25% of gross salary subject to maintenance of minimum NTH of Rs.7,500/- under special packages.
- 6 months gross salary subject to a maximum of Rs.2 lacs by branch incharge of small, medium & large branches as well as Credit Managers/ Senior Managers in VLBs/ELBs. 10 months gross salary subject to a maximum of Rs.3 lacs by CM/VLB, AGM/ELB, CO/RO DM /AGM CAC and above authorities.
- ROI - CGM/GM-HO-CAC and above authorities can permit reduction in ROI under special packages upto their delegated powers in respect of reduction in rate of interest under Retail Lending Schemes.
- **Repayment: 48 months** and the same can be relaxed upto 60 months by next higher authority.
- Suitable Co-obligation is to be obtained as far as possible, cross co-obligation to be avoided.
- Wherever TL is granted, no other clean loan to be sanctioned to the borrower In case of other retail loans, the same can be permitted by respective sanctioning authority subject to maintenance of 30% NTH salary. In case of higher quantum of loan is requested by eligible teachers, the same can be permitted under Canara Budget Scheme provided the applicant fulfills the norms of Canara Budget Scheme.

COMBO LOAN SCHEME – INTRODUCTION OF A NEW SCHEME FOR FINANCING OUR EXISTING BORROWERS WITH SATISFACTORY TRACK / REPAYMENT RECORD (HO CIR 365/2014)

Scheme Withdrawn – HO Cir 282/2017



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

**Educational Loan (Cir no. 181/2004, 243/07, 6/2008, 107/2008, 135/2009, 251/2009, 354/09,
140/2010, 274/2010, 377/2010, 48/2011, 83/2011, 232/2010, 47/2012, 565/2013, 252/2014,
121/2015, 147/2016)**

- Need based loan for study in India and abroad. Loan upto Rs 10.00 lakh irrespective of sanctioned amount to be considered as eligible for priority
- Margin: Upto Rs.4 lakhs: NIL. Above Rs.4 lakhs – studies in India : 5% Abroad : 15%
- Security: Upto Rs.7.5 lakhs – no security (CGFSEL), Above Rs.7.5 lacs – 100% collateral security
- All loans upto ` 7.5 lacs to be covered under credit guarantee fund scheme for education loan (Management quota not covered under CGFSEL Scheme)
- In case of Management Quota, obtention of security or third party guarantee in all cases.

Upto Rs.4 lakhs

- Parents to be joint borrower(s).
- Suitable third party guarantee which shall be acceptable to the Bank OR Tangible collateral security shall be 50% of the limit.
- Assignment of future income of the student.

Above Rs.4 lakhs

- Parents to be joint borrower(s).
- Tangible collateral security to cover at least 100% of the loan amount.
- Assignment of future income of the student.
- Branches cannot consider proposals for more than `10 Lacs in case of students pursuing Professional/ Management Courses in India.
- Interest Concession (Cir.47/2012): Reduction of 0.50% on the applicable ROI on the loans extended to girl students from 14.02.2012.
- Concession of 0.5% in ROI if interest is serviced during study period/repayment holiday (cir no.181/2004). In case full interest is not cleared by the borrower before the debit of



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

next month's interest, then, the 0.5% concession shall not be extended for the current month and normal applicable rate shall be charged. If 3 installments of interest are irregular, concession will not be extended.

- For non priority portion separate rate of interest is stipulated.
- Online Application (Vidyalakshmi portal): Applying ONLINE facility available.
- Expenses other than Tuition Fees: Not to exceed 50% of total cost of the course i.e tuition fees, cost of laptop/equipment, living expenses and any other expenses.
- Where student secure free seats, i.e. no tuition fee is required to be paid by the student, SA may consider reasonable amount of living/other expenses
- Loans for IBA's Model Education Loan scheme as well as those under IBA's Model Loan Scheme, up to a limit of ` 7.5 lacs to be sanctioned by concerned branch itself, where loan application is submitted by the applicant, instead of sending the loan application to Retail Asset Hub. For loans with limit above 7.5 lacs existing procedure/guidelines to continue. (147/2016)
- Uniform moratorium period of one year. Simple interest applicable during moratorium period. If borrower submit written request for extension of moratorium period before expiry of original moratorium period, sanctioning authority may extend moratorium period for a maximum period of one year from the date of expiry of original moratorium period and during such moratorium period also, the simple interest to be charges.
- Repayment Tenor: 15 Years
- Repayment Holiday (Cir 47/2012): Course period + (1 year after completion of course or 6 months after getting job, whichever is earlier).
- Extension of time for completion of course may be permitted for a maximum period of 2 years.
- Service area norms not applicable as per RBI guidelines.
- **Place of availing EL:** Students may submit their loan applications either at the bank branches near to the residence of parents or bank branches near to the educational institution. However, after the loan is sanctioned, the loan accounts are to be transferred to the bank branch near to the institution of study, for follow-up with student / institution,



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Transfer of loan accounts to branch near to permanent residence of borrower, will take place after completion of course.

- **If parent is in Govt Job:** If parent/s are in transferable jobs (in Govt. PSU, Reputed corporate), loan can be sanctioned at place of work /place of permanent residence at the option of borrower.
- **Rented House:** Persons staying in a rented house for a minimum period of 2 years in a place without owning a house in the present place of stay may also be treated as a permanent resident of the place.
- **Age Limit:** There is no specific restriction with regard to the **age** of the student to be eligible for education loan
- **Disposal of EL Loan Application:** With in a period of 15 days to 1 month. Not to exceed Priority Sector application disposal norms.
- **Processing Charges:** Applicable for studies Abroad.

Loan amount exceeding Rs.25,000/- Applicable rate: Priority Sector Term Loan rates i.e. above Rs.25,000/- :1% of loan amount.

- **Other Eligible courses (Cir 300/2008, 354/09):** Education Loans Guidelines on considering Education Loans for students pursuing Teacher Training Course / Nursing Course / B.Ed Course. Eligible if conducted by Institutes approved by Govt. and leading to Degree or Diploma and NOT for certificate courses. Expenses as per Fee structure in Govt. College/approved by concerned authorities.
- Obtention of UID number (Aadhaar) of the student is compulsory. If the student is not having UID Number, an undertaking letter to be obtained from the student stating that he will enroll himself and provide the UID number to the Bank at the earliest.
- Though submission of PAN is not compulsory under the IBA Model Scheme, branches should prevail upon the students to submit the same before completion of the course. This will ensure reflection of Education Loan liabilities when CIR is drawn under CIBIL report. Further details of PAN/UID numbers are to be noted in CIM 50 option
- Indian Citizens who intend to acquire Primary Medical Qualification from any foreign country on or after 15th May 2013 are not required to obtain Eligibility Certificate from the Medical Council of India.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- However, the Students are required to fulfill the Eligibility Criteria for admission to MBBS course as laid down in the Graduate Medical Education Regulation, 1977.
- **Grand Parent as co-borrower (Cir 135/09):** Permitted to obtain grandparent as co-borrower if net worth is there.
- **EL for Admission under Management Quota:** In case of students who have secured admission under 'Management Quota', Educational Loan can be considered only if students have secured 60%/50% (GEN/SCT/Girl) marks in the Board Examination. However, students who secured admission under State selection process but opt for 'Management Quota' for a different Branch/stream can be considered under IBA scheme.
- Wherever student is directly getting admission to the College without undergoing any selection process, the student should have scored minimum 60%/50% (GEN/SCT/Girl) marks in the previous qualifying examination for getting educational loan.
- License courses like Aircraft Maintenance Engineering / Pre Sea training which are neither degree nor diploma for sanctioning Education Loans should not be considered for EL.
- Vocational and skill development study courses are not eligible for loan under IBA scheme. Off campus courses are also not eligible
- Only degree / post graduation courses pursued abroad are eligible for sanction of loan under IBA scheme.
- The security offered may be accepted, when the law prevailing in the state, does not prohibit accepting such security, wherever securities are stipulated.
- Defaulter need not be accepted as co-borrower at the time of sanction /disbursement of educational loan.
- In case of Deemed Universities, fees fixed for Management Quota in self financing colleges to pursue such courses, may be considered for sanction of loan.
- Branches/offices can consider the Hostel/Mess charges of outside accommodation wherein bills for the same are not available. In such cases, the student borrower has to submit a self declaration mentioning the relevant items of expenditure towards Hostel/Mess charges and the same can be considered by branches as per the project cost. Ensure reasonableness. (Cir 252/2014)



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Referral fee (Currently ` 250 per referral) should be remitted to NSDL after receipt of demand notice (If proposal referred by Vidyalakshmi web portal developed by M/s NSDL)
- In case education loan sanctioned for study abroad, processing fee at 1 % of loan amount is collected from borrower. Such amount shall be refunded to the operative account of borrower, if student avail the loan. Otherwise it is absorbed.
- Subsidy cannot be claimed as a matter of right. The subsidy claimed can be credited to the beneficiaries account only after receipt of necessary sanction proceedings and amount from concerned ministries. Beneficiaries are not entitled to claim any interest for the delayed credit of subsidy, if subsidy is released with delay from the concerned ministry. Undertaking to this effect is to be obtained from beneficiary and preserve the same along with loan papers.
- Coverage of life insurance upto 120% (Max coverage ` 50 lacs) is available under Vidya Suraksha Yojana of CHOICE. 25 % of premium cost is being borne by Bank. Premium can be included as part of project cost under education loan. Though coverage is not mandatory.
- As per IBA's revised Model Education Loan Scheme
 - a) Finance to students pursuing higher studies at Association of Chartered Certified Accountants, Dubai (UAE) – (ACCA) eligible under Inland studies.
 - b) No Reversal of interest accrued during Moratorium in the case of delinquent Education Loans (HO Cir 179/2014).

TRACKING OF STUDENTS:

- Take placement particulars from College/Institution
- Write to student about performance on receipt of marks/ progress report from college
- Branches to obtain two local references (who have close relationship / contact with the applicant's family) in the Educational Loan application
- Copy of PAN card to be insisted from applicable parents wherever available
- The details of Unique Identity Number (UID), wherever available is to be mentioned in the Educational loan application.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Education Loans to Employed Persons (Cir 121/2015)

- Educational loans can be granted to employed persons provided the applicants do not get salary during the period of study.
- Security – same as for IBA Model Educational Loan scheme.

EL Scheme for Students in Private Professional Colleges

- Student's annual family income (or that of his father or guardian) should not exceed `1 lac from all sources
- **Loan amount: Rs.15,000/-** for free/merit seat student and Rs.50,000/- for payment seat students or the fees payable by the student whichever is less.

Credit Guarantee Schemes of M/s National Credit Guarantee Trustee Company Ltd (NGCTC) (Cir 12/2016)

Under the aegis of NGCTC, MoHRD has come out with risk mitigation measure for Education Loan

1. Credit Guarantee Fund for Skill Development (CGFSD)

CGFSD is confined to guaranteeing skill development loans sanctioned by member banks if IBA or other banks/FIs as may be directed by GoI. NGCTC acts as a trustee to operate and manage the CGFSD.

Features of CGFSD are

- a. Guarantee Cover for Educationa Loan upto ` 1.5 Lacs, Min loan ` 5000/- (loan sanctioned after 20.11.15)
- b. AGF is 0.50% + ST , which is to be absorbed by Banks. Guarantee cover is 75 % of default amount in one go.

2. Credit Guarantee fund scheme for Education Loan (CGFSEL)

The Scheme shall be confined to guaranteeing Educational Loans sanctioned by Member Banks of Indian Banks Association (IBA) or other Banks / Financial Institutions as may be directed by GoI. Government of India, through Ministry of HRD, as Settlor shall establish a Fund for guaranteeing loans sanctioned under the Education Loan Scheme. NCGTC will act as a Trustee to operate and manage the CGFSEL.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Features of CGFSEL are:

- a. All Education Loan (Both inland and for foreign study) for limit upto ` 7.5 Lacs under IBA model EL scheme without collateral and Third party **Guarantee** for loan sanctioned on or after 16.09.2015.
- b. Loan sanctioned under management quota are not eligible
- c. Loan sanction with interest rate at BR +2 % would be eligible
- d. No margin till ` 4 Lacs. Loan above ` 4 Lacs: 5 % margin for study in India, 15 % for study abroad.
- e. Lock-in-period of 12 months from date of commencement of guarantee cover or end period of moratorium ,whichever is later
- f. AGF is 0.50%+ST, which is to be absorbed by Banks
- g. 75 % of claim settlement within 30 days , balance 25 % on conclusion of recovery proceedings
- h. As education loans will be covered under CGFSEL, the risk weight will be NIL and capital provisioning will not be needed.
- i. Premium payable to M/s NCGTC for coverage of all eligible loans, will be borne by Bank, and will be taken care of at HO level.

Central Sector Scheme of Interest Subsidy For Education Loans (Cir 274/2010, 377/2010, 48/2011, 223/2011, 359/2011)

- **Full Name of the Scheme:** “Central Scheme to provide Interest Subsidy for the period of moratorium on Els taken by students from Economically Weaker Sections from scheduled banks under the EL Scheme of the IBA to pursue Technical/Professional Education studies in India”
- **Nodal Bank** of Ministry of HRD: **Canara Bank.**

Eligibility:

- Applicable to all scheduled Banks.
- Applicable Academic Year: From 2009-10 starting 1st April 2009 onwards.
- The student should belong to economically weaker sections – EWS.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- EWS means annual gross parental/family income upper limit of Rs.4.50 Lacs per year (from all sources).
- EWS income limit is based on economic index and not on social background.
- Income proof should be given by the students issued by authorities authorized by the State Governments for certification of income status for this Scheme.
- IBA approved Format of Income Certificate: Enclosed to Cir.274/2010.
- The District Level Consultative Committee in each district will circulate the competent / designated authority along with their specimen signature.
- **Only for studies in recognized Technical/Professional Courses in India. (Not under management quota)**
- The interest subsidy shall be linked with the existing EL Scheme of IBA
- Interest subsidy is restricted to students enrolled in recognized Technical/Professional Courses (after Class XII) in India in Educational Institutions established by Acts of Parliament, other Institutions recognized by the concerned Statutory Bodies, IIMs and other Institutions set up by the Central/State Government.

Interest Subsidy:

- **Period:** The period of moratorium i.e., Course Period plus one year or six months after getting job, whichever is earlier, shall be borne by the Government of India.
- After the period of moratorium is over, the interest on the outstanding loan amount shall be paid by the student.
- **Eligibility:** Available to the eligible students only once, either for the first undergraduate degree course or the post graduate degrees/diplomas in India.
- Interest Subsidy shall, however, be admissible for **integrated courses**.
- **Not eligible to:** Those students once they discontinue the course midstream, or who are expelled from the Institutions on disciplinary or academic grounds, However, the interest subsidy will be available only if the discontinuation was due to **medical grounds** for which necessary documentation to the satisfaction of the Head of educational institution will have to be given.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- The students are required to submit the income proof certificate obtained from the ICIA(Income Certificate Issuing Authority), **only once for the first time** and need not submit the same for each and every year. (Cir 573/2013)

Padho Pardesh Scheme of Interest Subsidy on Education Loans for Overseas Studies for the students belonging to the Minority Community (Effective From Financial Year 2013-14) (HO CIR 378/2014)

- Central Scheme to provide Interest Subsidy on Education Loans for overseas studies pursued by students belonging to Minority Communities.
- Canara Bank is the Nodal Bank to administer the Subsidy Scheme in the country.
- Full interest subsidy upto the period of moratorium (i.e., Course Period + One year or 6 months after getting job whichever is earlier).
- Students belonging to notified Minority Communities are eligible, i.e., Muslim/Christian/Sikh/Parsi (Zoroastrians)/Buddhist/Jain.
- Scheme is applicable from academic year 2013-14, i.e., from April 01, 2013.
- Beneficiary can avail subsidy only under any one of the subsidy schemes being implemented by Government of India.

Noting Lien of Education Loan in the Awards/Certificates:

- There would be tag/marker on the degree of the student indicating his repayment towards liabilities.
- Electronic Tags will enable employers to identify loanees.
- The Ministry of HRD has initiated the proposal to dematerialize the educational awards/certificates, setting up of Depository for maintaining the records in dematerialized form and providing service to the users.
- Banks can have online access for verification process, which would eliminate fraudulent practices like forging of certificates and marks sheets.
- **List of eligible Technical/Professional courses:** Shall be publicized from time to time by the HRD Ministry + IBA.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- UGC and AICTE would immediately display the list of names of accredited universities/institutions and recognized professional courses, in their websites, which may be accessed for verification purposes.
- **Monitoring:** Shall be evolved by the Ministry of HRD to monitor the benefits accruing to different categories of loanees, such as, the Scheduled Castes, Scheduled Tribes, Minorities, Disabled, etc.
- **Disbursement of Interest Subsidy claims:** Either half yearly or yearly basis, as decided by HRD Ministry.
- **Claims by RRBs:** RRBs should submit their claim directly to Canara Bank and not through the Sponsor Bank.
- **Statutory Audit:** Once in a year & to coincide with the Annual Statutory Audit of the Bank.
- **Interest Rates to loan accounts:** As per the rates prescribed by Banks. Colleges in the region should be kept informed.
- Branches to address suitable letters to the students to avail the benefits.
- Branches to obtain the agreement copy from each eligible student for participation in the Scheme as per format given in Cir.274/2010.
- The scheme is independent of any other schemes which may cater to EWS.
- **Claim Submission (Cir 343/2012):** Submission of claims in respect of eligible students to be ensured positively on or before 31.12.2012 where Income Certificate is submitted by the student and agreement has been executed.
- **Uploading Data(223/2011):** Claim related data to be uploaded in the CSIS package through the SAS option.

Insurance Product of CHOICE for Educational Loan Borrowers-Vidya Suraksha Yojana **(Cir 231/2013, 38/2014)**

- A loan protection scheme offered to provide coverage on a voluntary basis for eligible education loan Canara Bank.
- Non-linked, non-participating, group credit protection product.
- **Key Features:**



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Reducing Cover (with pre-specified sum assured schedule as printed in COI [Certificate of Insurance] at the time of issuance)
- Risk coverage: Death cover only
- Single premium payment
- Coverage to up to three Joint Borrowers / Co-applicants
- Moratorium Period is covered under the product
- Flexibility of covering part of the loan amount. (Partial loan cover allowed based on adequate documentation from life insured on the existing life insurance covers)
- Flexibility to choose initial Sum Assured up to 120% of the loan amount (Max- Rs.50 lac).
- As per the extant guidelines, 25% of the premium cost is being borne by the Bank.

Vidya Sahay – Bridge Loan Scheme under Education loan (Cir 123/2014)

- Sanction of Bridge Loans to students who appear for Counseling Sessions at CET Centres under Vidya Sahay Education Loan Scheme.
- Education Loan –DPN - To assist the needy and meritorious students who are in need of the down payment to be made to the CET/counseling Authorities at the time of selection / counseling
- Maximum eligible amount would be Rs.1 Lakh or initial payment as proposed by the CET Authorities whichever is less.
- Bridge Loan is to be cleared after sanction of regular education loan.

Vidya Turant (Cir 40/2014, 132/2014, 253/2014, 318/2015, 193/2016, 245/2016, 359/2016)

- Vidya Turant, an Online Sanction Facility for students pursuing studies in 1st level 67 select IIMs/IITs/NITs/IISc/ISB (Hyderabad), Mohali and other premier institute free of collateral security.
- Concessional rate of interest, i.e., MCLR+2%.
- Loan Quantum for students of IIMs – Upto Rs.25 Lakhs
- Loan Quantum for students of ISB (Hyderabad) & Mohali – Upto Rs.30 Lakhs.
- Other select IITs/IISc/NITs institution – Upto Rs.20 lacs.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Regular IBA model education loan and loans under Vidya turant scheme continue to be covered under CSIS scheme, for loans up to ` 10 Lacs.
- Designated branches to sanction loans. However, there is no bar for other branches to sanction loans to the students. Condition of sanction of loan by branch nearest to the permanent residence of branches is waived.
- Option given to students to avail loans from branches other than the designated ones.
- Designated branches to transfer files once the students complete the course, to the branch nearest to their residence.
- Relaxation available for application received OFFLINE also.
- Designated branch to provide the sanction letter to the concerned students by E-Mail within 48 hours, duly ensuring compliance of guidelines of the Scheme.
- **Concession of 0.5% to Girl Students will not be available under Vidya Turant Scheme.**

IBA SKILL LOAN SCHEME – Replaces Education Loan Scheme for Vocational Education and Training (Cir 421/2015, 147/2016)

- IBA Skill loan scheme replaces existing IBA's Model Loan Scheme for Vocational Education and Training.
- Quantum of Finance under the scheme ranges between is Rs.5,000/- to Rs.1.50 lacs.
- No collateral security to be taken.
- Repayment period from 3 years to 7 years depending upon the loan quantum.
- Moratorium period from 6 months to one year depending upon the course period.
- Pronote with Take Delivery Letter (NF 481) is to be obtained instead of Education Loan Agreement (NF 440).
- Services of Bank Mitras/Business Correspondent can be used to popularise the scheme.
- The existing vocational education loan scheme stands withdrawn from immediate effect. All existing loan accounts under the scheme shall be included under the new scheme for reporting the performance under the scheme.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- ROI: MCLR + 1.50% simple during the study period and up to commencement of repayment. ROI concession of 1%, if interest is served during the study period.

Canara trade Scheme (cir no.357/2005, 59/2007, 365/2009, 159/2010, 39/2011, 212/2011, 332/2013)

- Loan scheme for providing working capital and term loan to traders, business enterprises, commission agents, services sector, professionals and self-employed.
- Existing parties having satisfactory dealings and New parties with good track record are eligible. Parties to confine their entire dealings with out bank.
- **Maximum Loan Amount** – Rs.10 crore
- Nature Of Facility: Can be either working capital (FB and/or NFB) or term loan or combination thereof based on the need
- **Margin** on Term Loan is 25%. Wherever the project cost includes construction also, the term loan component for construction activity should not exceed 60% of the project cost.(cir 365/09)
- Entire working capital limit is by way of secured OD only
- **Submission of stock and book debt statements**(cir 365/09): simplified – once in 6 months for limits upto Rs.50 lakhs. Once in quarter(Mar,Jun,Sept,Dec) for limits above Rs.50 lacs.
- **Unit visit and inspection – once in 3 months**
- Tenability of secured OD limit – 2 years
- EMT of property whose value shall not be less than 133% of the loan amount
- **For Commission Agents**, EMT of land and building whose value shall not be less than **200%** is taken as security to the loan as no stocks are available in this kind of trade and the only security comfort available is by way of EMT of property/ies.
- **Commission Agents**: The income & expenditure account is to be obtained **quarterly** as a proof of continuing to be engaged in the activity / business
- Repayment to the Term loan : Maximum–84 months including repayment holiday, if any.
- Assessment of working capital limits (Cir 365/09): Upto Rs.2 crores – Turnover Method, Rs.2 to Rs.10 crores – MPBF Method



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Secured OD upto Rs.10 lacs – Secured fully by stock and book debts to the extent of the facility (no margin is necessary) and EMT of property whose value shall not be less than 100% of the limit.
- Secured OD beyond Rs.10 lacs upto Rs.50 lacs – Secured fully by stock and book debts to the extent of the facility (no margin is necessary) and EMT of property whose value shall not be less than 133% of the limit
- Secured OD beyond Rs.50 lacs upto Rs.10 crore – Secured fully by stock and book debts with 10% margin and EMT of property whose value shall not be less than 133% of the loan amount.
- Determination of Drawing Power (DP): As the entire Working capital facility is in the nature of secured OD, **no DP need be computed for the entire facility**. However, entire OD limits are to be fully secured by stocks and book debts with required margin if any.
- Tenability of limits: The secured OD limit may be sanctioned for a period of 2 years subject to annual review.
- SECURITY: Hypothecation of Stock and Book debts in favour of the Bank. No margin need be insisted for Working capital facilities upto Rs.50 lacs.
- For Working capital limit of over Rs.50 lacs, a margin of 10% on the stock and book debts should be obtained. However, case to case waiver may be permitted by Circle Head and GM (HO).
- In the case of Term loans, the fixed assets created out of our Term loan shall be hypothecated to the Bank.

EMT Of Land & Building:

- Secured OD upto Rs.10 lacs: EMT of the property whose value shall not be less than 100% of the limit.
- OD beyond Rs.10 lacs upto Rs.10 crore as also exclusive Term Loan: EMT of Land and building whose value shall not be less than 133% of the loan amount.
- For commission Agents, land and building value should not be less than 200% of loan amount as no stocks are available and security comfort by way of Land and building.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Availment of Secured OD and Term Loan together: In case of parties who have taken both Working capital and Term loan, EMT of land and building, whose value shall not be less than 133% of the combined credit limit sanctioned.
- Revaluation of Land & Building for the purpose of enhancement **should not be entertained subject to relaxation permitted as per HO Cir 332/2013.**
- Value of the property based on the latest valuation report may be reckoned at the time of renewal of limits with the prior clearance of the authorities, subject to **minimum gap of three years from the date of original sanction.**
- Appreciation permitted to the extent of 25%- by respective sanctioning authority, subject to maintenance of 133% margin.
- Appreciation of value of the property is based on TWO valuations reports and for the purpose of enhancement in the limit the value of the property which is LOWER among the above TWO valuation reports to be taken into account.
- Risk Rating of account is upto Normal as per credit risk rating based on the latest audited balance sheet.
- Property mortgaged to existing credit facilities can be accepted as security for Canara trade loan of the same borrower provided the security covers required margin for both loans.

Other important terms and conditions for acceptance of Land & Building as security for the loans under this scheme:

- The Bank shall accept the property situated in the place of business and / or agglomeration thereof.
- The property may include residential houses, business and trading premises. Vacant sites shall not be accepted. Also, the properties tenanted out should be excluded. However, property tenanted to PSUs, PSBs, MNCs etc., may be accepted as security. In such cases, if rent receipts are securitized by way of availment of loans by the owners, such facts are to be looked into and factored while appraising the proposal/ accepting the property as security.
- No Agricultural property shall be accepted for lending there against under the subject scheme.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Third party property shall not be accepted for providing the subject facility. However, following exceptions can be permitted by the respective sanctioning authority:
 - Property in the name of the Proprietor or his / her family members, partners or their family members. For this purpose, family members include spouse, son, daughter, father, mother, brother and unmarried sister.
 - In the case of borrowers belonging to private limited companies, properties in the name of directors and the family members as stated above of the directors may be accepted.
 - In these cases, such family members should offer his / her personal guarantee for the facility.
- The mortgage of the property created for the Working capital and Term loan facility under the subject scheme shall not be accepted / offered as collateral security for any other loans to the same borrowers or to the sister/ allied concerns.

Sanctioning Authority: (in lakhs)

| | | | |
|-----------|--------|-------------|---------|
| Small Br | Rs.10 | AGM-CAC | Rs.200 |
| Medium Br | Rs.20 | DGM-CAC | Rs.500 |
| Large Br | Rs.30 | GM CO/HOCAC | Rs.1000 |
| CM/DMCAC | Rs.100 | | |

Audited Balance Sheet:

- Corporate borrowers shall submit ABS including Director's report etc., as prescribed in the Company's Act notwithstanding the quantum of credit facilities.
- In respect of non-corporate borrowers who are not required to prepare ABS by virtue of any statute or law in force, for credit limits upto Rs.20 lacs, ABS is not required. In these cases, for credit limits above Rs.20 lacs, ABS shall be obtained. However, where the borrower is mandatorily required to submit ABS ie turnover of Rs.60 lakhs and above, the same shall be obtained notwithstanding the loan quantum. (MSME Turnover of Rs.100 lacs and above per annum)



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Adhoc facility upto 20% under Canara Trade may be permitted by the respective sanctioning authorities, subject to the condition that maintenance of 133% collateral security shall be ensured including the adhoc limit. Maximum two times in a year & period of Adhoc limit shouldn't exceed 30 days each.
- **Take Over Of Canara Trade Loan Accounts:** A valid EMT should be created **within 10 days** of clearance of the liability with other bank by us (concerned branch of our Bank).
- **Valuation Of Mortgaged Property (Cir.102/2011):** Shall be got done at the time of availment and subsequently every three year.
- **Penal Interest For Delay In Submission Of ABS: (CIR.159/2010):** Penal interest of 2% on the outstanding liability (fund based) shall be collected if the audited financial statements are not submitted before 31st October every year or **within a fortnight of adoption of accounts** of the borrower whichever is earlier unless waived by authorities not below GM-CO-CAC/GM/CGM-HO-CAC on satisfactory reasons

Canara Jeevan (Cir 20/2008, 175/08, 9/2009, 171/09)

Reverse Mortgage Scheme for Senior Citizens

- Reverse Mortgage – to help Senior Citizens to convert their dwelling house property into liquid cash flows to meet their living expenses
- **Objective:** To meet the financial needs of Senior Citizens owning self occupied residential property.
- No loan against ancestral property since legal issues involved.
- **Eligibility:** Owner of Property – Above 60 years age
- Loan in joint names of owner and spouse, irrespective of title of property (One person should be above 60 years and the other above 55 years)
- Residual life of property should be at least 20 years
- In case of Flat, age of flat not more than 10 years

Quantum of loan:

- Age of Borrower - Loan as proportion of Assed Value of Property



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- (Loan including interest till maturity)
- 60 to 70 years – 70%, 71 to 75 years – 80%, Above 75 years - 90%
- For flats, depending age of the flat, from 45% to 75%
- Minimum loan quantum Rs.5 lakhs and maximum Rs.50 lakhs for independent houses.
- Maximum quantum for flat is Rs.25 lakhs.
- **Payment (Disbursement):** Monthly/Quarterly installments. One time lump sum payment, not more than 20% of the eligible loan amount.
- **Payment Period:** 15 years
- **Rate of Interest:** MCLR +1.50% (Cir 185/2016)
- **Valuation Of Property:** To be done once in 3 years.
- **Equity To Value Ratio (VER)** should not at any time during the tenor of loan, fall below 10%
- EC to be obtained before disbursement and once in three years.
- **Repayment Of Loan:** Only when the last surviving borrower dies or when they like to sell the property.
- Entire outstanding liability including accumulated interest to be met by proceeds received out of sale of property.
- Surplus to be paid to the heirs.
- **Sanctioning Authority:** Circle Head.
- **Inspection of Property:** Once in 6 months.
- Loan Implemented through selected branches only.
- **Prepayment penalty:** Nil (Floating Rate HL)
- **Processing Charges:** Maximum Rs.5000/-
- **Right Of Rescission:** After completion of documentation etc. 3 business days given to senior citizen to cancel the transaction ie the RIGHT OF RECESSION.
- If the loan amount is disbursed, the entire loan amount will need to be repaid by the borrower within this three day period without interest.
- **Foreclosure:** Bank can foreclose the loan if the borrower does not meet our terms and conditions. If the borrower does not stay in the house for continuous period of 1 year, foreclosure may be made.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- **Classification:** Non priority – Personal Loan – Retail Lending. Report in PSR 71.
- **Cir 09/2009:** The stream of payments received by the senior citizen under RML scheme made and notified by the Central Government would not be treated as “Income” for income tax purpose.

Relaxations/Deviations

- **Housing Loans:** Through special package Circle Head CAC can permit, entry above 60 years and exit beyond 70 years of age , higher loan quantum upto 5 years, NTH upto 25%, minimum service/business condition upto 1 year and waive salary credit/salary recovery mandate registration by ensuring recovery mechanism through PDCs/ECS. Circle Head CAC can also waive obtention of under taking letter from the employer not to shift salary wherever salary credit is available in case of Packages permitted in the Circle.
- **Canara Vehicle Loans:** Circle Head CAC can permit NTH up to 20% or 12,000/- whichever is higher and waive salary credit/ recovery mandate by ensuring recovery mechanism by PDCs/ECS mandate registration.
- **Canara Budget Loans (Salaried Class):** Circle Head –CO-CAC can permit loan upto 15 months Gross Salary (maximum of ` .10 lakhs), NTH up to 25% or ` .7500/- whichever is higher, relax minimum confirmed service to ONE year instead of Three years, waive undertaking letter from Employer Not to Shift Salary, permit concerned branches to sanction loans under the package if the NPA levels under the scheme are less than 3%. Performance is reviewed under the package at half yearly intervals and to take suitable decision for continuation or withdrawal of the package.
- Packages applicable for on All India Basis/or Other Circle Branches or package with higher quantum beyond circle powers or package with interest concession.

Canara Consumption Loan (Cir 478/2016)

- Canara Consumption Loan scheme is to provide hassle free finance to existing borrowers in Natural calamity affected areas to meet the consumption & domestic requirements in Rural and Semi Urban areas.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

- Finance upto ` 15000/- to existing borrowers in Natural calamity affected areas to meet the consumption and domestic requirements in Rural and Semi Urban areas.
- The loan is sanctioned on the basis of —One consumption loan to One house hold only.
- It is clean loan with Nil margin and all types of service charges are waived under the scheme.
- Repayment: Within 36 months including one year Repayment Holiday. Repayment holiday for both principal and interest. Interest during moratorium to be paid along with future installments. Repayable in monthly/ Quarterly/Half-yearly/ Yearly installments depending on income generation.
- Rate of Interest: One Year MCLR+ 0.20% as on Date of Disbursement .Simple Interest is to be charged on half yearly basis. Penal Interest is not applicable.
- Delegation of power: Branch in charge (irrespective of other limits, however other accounts if any, should not be NPA or have overdues.)
- RBI Guidelines: Branches/offices may also grant consumption loans up to ` 10,000/-to existing borrowers without any collateral. The limit may, however

Special Package for the employees of M/s BSNL(Cir 71/2017)

MOU is valid upto 31.12.2016

Sanction of Housing Loan and Canara Vehicle Loan as per sanctioning Powers .In Canara budget ,Branches can sanction upto 20 months gross salary (Maximum ` 10 Lacs)

No Processing Charges under the scheme.

No rollover is permitted

The proposals falling under —HIGH RISK category shall be referred to Circle Head level CAC and above authorities for taking appropriate credit decision. □ in the case of Canara Budget loans, respective branches can sanction higher quantum of loan up to 20 months gross salary subject to a maximum of ` 10 lacs under the package, with risk gradation up to —MODERATE RISK as per CIR report, without referring to NPA levels of the Branch/Office.

Branches/Offices to permit ONE month repayment holiday for loans repayable by EMIs



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

Housing Loan

Quantum -60 Months gross salary with 25 % NTH. Max ` 15 Lacs for repairs and renovation. In respect of HL under Yuwa Awas rin higher quantum of loan upto 72 months' salary.

Eligibility –Confirmed employees with 3 years of regular service

Margin: 20 % for loans upto ` 75 Lacs (both old & new). 25 % for loans above ` 75 Lacs.

Repayment Period : 360 months or borrower attains the age of 70

ROI: HL upto ` 100 Lakhs: MCLR+0.20 % ,HL above ` 100 Lakhs : MCLR+0.30% (236/16)

Canara Vehicle: Four wheeler

ROI – (MCLR +0.50) % for men and (MCLR+0.40) % for women

Quantum -90 % / 75 % of on road price for New/ Old Vehicle (Max ` 15 Lacs for Old Vehicle)

Eligibility: 3 years of regular service with minimum basic of ` 9000 P.M.

Repayment Period : 84/60 months for New/ Old Vehicle

Canara Vehicle : New 2 Wheeler @ (MCLR+1.70) %

Quantum :80 % of total value (invoice , life tax ,registration ,insurance & accessories)

Eligibility : 3 years of regular service with minimum basic of ` 9000 per month

Repayment Period : 60 months

Canara Budget:

20 times of monthly gross salary subject to maximum ` 10 Lacs to confirmed employees. Repayment period 60 months or date of retirement whichever is earlier. ROI – (MCLR + 2.30) %

Stipulation of Inspection & Documentation Charges in case of Retail Loans (HO 425/2014)

- Inspection charges stipulated for Housing Loans, Canara Vehicle Loans & Other Retail Loans (Secured by Mortgage/Hypothecation).
- Documentation Charges stipulated for all Mortgage based Retail Loans other than Housing Loans.



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

1. Inspection Charges:

Housing Loans, Canara Vehicle Loans & Other Retail Loans (Secured by Mortgage/Hypothecation):

Upto Rs.10 Lacs : Rs.200/- per inspection .Max Rs.600/- per Year

Above Rs.10 Lacs : Rs.300/- per inspection or actual, whichever is higher

2. Documentation Charges:

Rs.100/- per Lac or part thereof with minimum of Rs.1000/- and maximum Rs.25000/-
Applicable only to Canara Rent, Canara Mortgage, Canara Site, Canara Jeevan and other Retail Loans where mortgage is involved other than Housing Loan

POLICY GUIDELINES ON TAKEOVER OF BORROWAL ACCOUNTS IN RESPECT OF RETAIL LOANS (HO CIR 62/2014, 128/2017)

Eligibility: All individual loans extended for Non Business Purposes by other Banks /FIs with similar terms and conditions of our schemes viz: Housing Loans, Canara Rent, Canara Mortgage. In respect of Takeover of Proposals meant for business purposes, these guidelines shall not be made applicable and in such cases the existing Takeover guidelines shall be applicable.

- Prior to take over the account should have satisfactory conduct with transferring Bank for a minimum period of 2 years and indicate satisfactory repayment of the loan promptly on due dates. However, loans where Projects are not completed and repayment track record of 12 months is not available shall not be taken over.
- **Sanctioning Authority:**

| | |
|--|---|
| Normal sanctioning Powers | Sanctioning Authority for Takeover |
| Below Circle Head Level CAC/Individual Authority | Next Higher Authority/CAC |
| Circle Head Level CAC and above | Respective CACs |
| For Taking over by NBFCs (Rated by ECAI as grade A and above), Takeover from Co-operative Society Banks. | Circle Head level CAC and above CACs only |



CANARA BANK OFFICERS' ASSOCIATION PROMOTION STUDY MATERIAL - 2018

➤ **CHECK LIST FOR TAKE OVER LOANS (HO Cir 62/2014 & 128/2017)**

| | REQUIREMENT | COMPLIANCE |
|-----------|---|---|
| 1 | Site Inspection Report | Two separate site inspection reports from RAH Head/branch officials to be submitted to sanctioning authority. |
| 2 | Valuation Report | Mandatory |
| 3 | Due Diligence | Mandatory |
| 4 | LSR based on certified copies of documents collected from transferor bank & LSR checklist | Mandatory LSR checklist to be signed by sanctioning authority/Branch Head/RAH Head |
| 5 | <i>Whether the following obtained from transferor Bank:</i> | |
| | i)Sanction Letter | Mandatory |
| | ii)List Of Original Documents | Permission may be sought till disbursement |
| | iii)Statement Of Account | Mandatory |
| 6 | Whether OPL from the transfer or bank obtained and whether the account is standard without any Overdue. | May be waived by sanctioning authority |
| 7 | Whether letter from the transferor bank stating the list of Original Documents with the present Liability is obtained | Permission may be sought till disbursement |
| 8 | Whether the repayment period is same as per the Original term of transferor bank. | Repayment period recommended in our bank along with repayment period run in the transferor institute |
| 9 | Whether the account has satisfactory conduct for a minimum period of 1 year with the transfer or bank. | To be ensured for takeover |
| 10 | Whether the repayment of loan is made promptly on due dates for the past 6 months track record. | To be ensured for takeover |
| 11 | Whether transferor institute is an eligible Institute. | PSB/NBFC/HFC/Private Sector banks |
| 12 | Reasons for switch over are justifiable. | To be acceptable for the Sanctioning Authority |
| 13 | Loan accounts of only salaried class of borrowers will be eligible to be taken over from NBFCs/HFCs | Deviation may be taken up with HO for permitting Non salaried class takeover also from NBFC/HFC |