

RETAIL LENDING

FOR PPT 2021-22

B V RAVI KUMAR-LDC KOLAKTA
NOTES

RETAIL LENDING GENERAL

- 252/21
- **CLARIFICATION UNDER UNSECURED PERSONAL LOAN UNDER STP (IN DIGITAL LENDING PLATFORM) GUIDELINES.**
- Customers who have availed “Unsecured Personal Loan under STP” **upto Rs 1.00 Lakh** in DLP & are eligible for higher quantum under general Canara Budget Scheme (or Special Packages permitted under Canara Budget), can avail differential eligible loan amount by paying applicable differential processing charges, duly reckoning both the loans as single loan.
- **Rs 100/- + GST (18%) towards Digital Verification charges.**
- **Rs 200/- being the E-stamping charges & (Manually to be collected as per HO 429/21)**
- **Rs 8.26 {Rs 7/- + Rs 1.26 (GST)}** being **e-signing charges** from the customers
- **CIBIL Charges [Rs 50/- + Rs 9/- (GST @ 18%) = Rs 59/-]:**

RETAIL LENDING

- 97/21
 - **Modification of Canara Budget Scheme guidelines for existing salaried customers who apply online for unsecured Personal Loan under straight through process, through digital lending platform as per action point 3 of EASE 3.0.**
 - **Minimum 6 months' salary should have been received** regularly in the applicant's account maintained with our Bank & should have **dealing with our bank for last 1 year.**
 - Minimum NTH of borrower should not be less than **25% or Rs 10000/- p.m. whichever is higher**
 - Minimum LOAN : **Rs 10,000/- and**
 - Maximum loan : **Rs 1.00 Lakh without any co-obligation.**
 - ROI : **RLLR + 4.90%**
 - Repayment : **36 EMI**
- Processing charges : **Rs 1000 + GST**

- **Rs 100/- + GST** towards Digital Verification charges

RETAIL LENDING -REVIEW

- **704/2021 29.10.21 : CSIS) ON EDUCATION LOANS IMPLEMENTED BY MINISTRY OF EDUCATION, GOVT. OF INDIA – OPENING OF WEB PORTAL IN SAS PACKAGE FROM 01.11.21 TO 30.11.21 FOR SUBMISSION OF CLAIMS PERTAINING TO THE FY 20-21.**
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- Under the Scheme, entire interest accrued during the Moratorium period (i.e. Course Period plus one year) is subsidized for the eligible Education Loan Accounts under IBA Model Education Loan Scheme
- .
- **Students availing Education Loans for pursuing professional / technical courses only from**
- **National Assessment and Accreditation Council (NAAC)**
- **Professional / technical programmes accredited by National Board of Technical Institutions (NBA),**
- **Institutions of National Importance, Central Funded Technical Institutions (CFTIs)**
-
- **Interest Subsidy is eligible for the Education Loans provided without any Collateral Security or Third Party Guarantee for the maximum loan limit of**
- **Rs.7.50 lakhs (for loans sanctioned w.e.f 01.04.2018) and**
- **Rs.10.00 Lakhs (for loans sanctioned prior to 01.04.2018)**

Retail Lending common guidelines

- **257/2021 19.4.21 : OPENING OF NEW RAHs AND OPERATIONAL GUIDELINES FOR RETAIL ASSETS HUBs**
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- **Permitted opening of 27 new RAHs at identified centers to cater the needs of unmapped branches in addition to the existing 215 RAHs functional.**
- **Mapping of all Branches to their respective RAHs (within the same Regional Office) on PAN India basis.**
- **The staff posted at RAHs should not be placed on the same role for more than 3 years.**
Depending
- **upon the business, it is suggested that, wherever RAHs are headed by AGM, the staff component may be 25 and in respect of RAHs headed by DM, the staff component may be 20.**
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507/21 14.07.21 : RETAIL LOANS- VETTING AGENCIES: CONSOLIDATED GUIDELINES.

Utilizing the services of **M/s Perfios (Fin-Tech Company)** for Digital Due Diligence of customers credentials

These services of the vetting agencies are to be **utilized by RAHs only**

The payment for services provided by the Service Provider to Bank :

Address – Residence : Within the city including NCR Region **upto 40 Kms** radius : **Rs.100 /-** per address (**Rs.3/- per KM may be paid for the distance beyond 40 KMs**)

Employment Details : (Office and Salary Slip authenticity) : **Rs.75 /- per year per party**

Income Tax Return/Form 16/ITAO for 3 years in case of same ward. **Different ward Rs.50/- per ward** : **Rs.75 /- per year per party**

6 months Banks statements – in case of need. : **Rs. 75/- per account .**

Borrower's calling time should be between **7 AM TO 7 PM .**

CANARA PENSION (528/21)

FOR RETIRED EMPLOYEES OF OUR BANK & FAMILY PENSIONERS OF
RETIRED EMPLOYEES OF OUR BANK: (787/20) –PRODUCT 607



Component I:

20 months' pension amount or **Rs.10,00,000/-** whichever is less, subject to **NTH of 25%** of gross deducting the proposed EMI.

Component II:

To make payment of premium of IBA Group Mediclaim Insurance Policy can be financed upto **Rs.90,000** or **quantum** mentioned above whichever is less.

Both component I and II : Maximum 20 months' pension amount OR Rs.10 lacs

- **REPAYMENT : Below 65 years age**  **72 EMIs**
- **REPAYMENT : Above 65 years age**  **60 EMIs**
- **Loan to Family pensioner: Ill party guarantee / co-obligation to be obtained**

• **Branch in-charge is the sanctioning authority.**

• **PROCESSING CHARGES / DOCUMENTATION/ INSPECTION CHARGES : WAIVED**

For General pensioners

Age at the time of loan sanction	Max. Loan amount 18 months pension or Rs.	Repayment Period	Age at the time of full repayment
Below 70 years	10.00 lakhs	60 months	Up to 75 yrs
70-75 years	5.00 lakhs	36 months	Up to 78 yrs

For defense pensioners

Age at the time of loan sanction	Max. Loan amount 24 months pension or Rs.	Repayment Period	Age at the time of full repayment
Below 50 years	10.00 lakhs	84 months	57 years
50-60 years	8.00 lakhs	60 months	65 years
60-70 years	6.00 lakhs	48 months	74 years
70-75 years	5.00 lakhs	24 months	77years

For Family Pensioners (General/Defence) :

Age at the time of loan sanction	Max. Loan amount 18 months pension or Rs.	Repayment Period	Age at the time of full repayment
Below 70 years	5.00 lakhs	60 months	Up to 75 yrs
70-75 years	3.00 lakhs	36 months	Up to 78 yrs

Net Take Home (NTH): 40%

616/21 17.09.21 : Canara Vehicle Loans - Prevention of Frauds – DO's & DONT's.

Registration of the vehicle is to be closely followed up and noting of Bank's Lien in RC Book and Insurance policy to be ensured by the concerned branch officials, within a reasonable period **of 7-10 days.**

In case of Temporary registration, **permanent registration** is to be completed **within 30 days.**

652/21 01.10.21 : OBSERVANCE OF RETAIL LOAN FESTIVAL FROM 02.10.2021 TO 31.12.2021

Waiver of Processing Charges on Housing Loans - All variants including takeover of HL Accounts.

Waiver of Processing Charges on Canara Vehicle Loans - including 2 Wheeler & Canara Vehicle Loans to Agriculturists.

The **waiver of Processing Charges will be effective for the loan sanctions from 02.10.2021 to 31.12.2021**. The loans sanctioned during this period will be eligible for waiver of Processing Charges provided they are **disbursed on or before 15.01.2022**

STUDENT ELIGIBILITY : (**Exception**)

Wherever student is **directly getting admission to the College without undergoing any selection process**, (i.e., Entrance Tests/scoring in eligibility tests/merit based selection process) then educational loan can be considered if the Student has scored

Minimum 60% marks in the **previous qualifying examination** in case of candidates belonging to **General category** and

50 % in case of girl students and students from SC/ ST

MINIMUM AND MAXIMUM AGE: NO AGE RESTRICTION

CAP ON EXPENSES :

Caution deposit, Building fund / refundable deposit supported by Institution could be considered subject to the condition that such amount **does not exceed 10% of the total tuition fees for the entire course.**

Other Expenses:

- a. Purchase of books/ equipment's/ instruments/ uniforms.
- b. Purchase of computer at reasonable cost, if required for completion of the course.
- c. Any other expense required to complete the course - like academic and maintenance fees, study tours, project work, thesis, exchange programme etc.



Maximum expenses included under a, b and c may be capped at **20% of the total tuition fees payable for completion of the course.**

Capitation/Donation shall not be financed.

COURSES NOT ELIGIBLE FOR SANCTION OF EDUCATION LOAN UNDER

IBA MODEL EDUCATION LOAN SCHEME:

- ☐ Air craft maintenance engineering/Pre-sea training.**
- ☐ Vocational and skill development study courses. As separate loan scheme is available under IBA's Skill Loan Scheme.**
- ☐ Off campus courses.**

Students of licensee/franchisee institutions are NOT eligible under the scheme..

Branches can extend education loans to students who pursue the following courses under IBA's revised Model Education Loan Scheme.

i. Part-time courses

ii. Research works and

iii. Job oriented specialized programs

Note: Branches can extend EL to student intending to pursue employment oriented courses like Teacher Training course and 3 year Diploma Courses in polytechnic after completion of XTH Standard, provided these courses are offered by approved / recognized college / Institutions..

NORMS FOR SANCTION OF MULTIPLE LOANS TO MEMBERS OF SAME FAMILY:

EL is given for an individual and **not for family as a unit.**

NO restriction for sanctioning EL **more than one child** in the same family, treating each case as separate for the purpose of security and other norms.

Second loan can also be given for higher studies / continuing the studies.

However, if the amount granted **including the existing loan (aggregate liability) exceeds the cut off limit for obtaining security**, approved security as prescribed should be obtained..

SANCTIONING EDUCATION LOANS TO STUDENTS WHO ARE PURSUING STUDIES IN COLLEGES/ COURSES WHICH ARE NOT RECOGNIZED:

EL, DPN & DIR in respect of courses offered by reputed Private Institutes not affiliated to any University/not autonomous, etc., permission is given to the RAH Head/ Circle Head wherever Branches are not attached to RAH to permit

While considering education loans for the reputed institutions as mentioned above, the following information may be sought.

- No. of students, who have completed the courses at the institute during last 3 years.**
- Course fee for different streams in the institute, which should be reasonable.**
- Average salary offered to the students who have passed from the said institute during the campus selection process.**
- Year wise breakup of placement details**

QUANTUM OF FINANCE: Need based finance subject to repaying capacity of the parents / students with required margin.

MARGIN : UPTO 4 LACS : NIL (INDIAN AND ABROAD)

Above Rs.4.00 Lakh : 5 % (INLAND), ABROAD-15%

SECURITY:	
Up to Rs 7.50 lac	NO SECURITY CGFSEL COVER TO BE TAKEN. Assignment of future income of the student Loan jointly granted to the parent /guardian and the student.
Above Rs.7.50 lacs	Assignment of future income of the student Loan jointly granted to the parent /guardian and the student Collateral security to cover at least 100% of the loan amount.

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COVERAGE OF LIFE INSURANCE: NOT mandatory.

However it can be obtained at the option of the student borrower in writing.

LIFE INSURANCE **PREMIUM AS PART OF EL PROJECT COST**

Insurance to be covered up to **120% of loan amount** sanctioned without any upper cap.

Arrangement with **Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd** : PREFERABLE

GOLD AS SECURITY : 20% of the Appraised Value

653/21 01.10.21 : IBA MODEL EDUCATION LOAN SCHEME 2021– MASTER CIRCULAR

DOP : SANCTION OF EDUCATION LOANS UP TO THE LIMIT OF Rs. **7.50 LACS AT BRANCH LEVEL** AS PER DELEGATED POWERS: (**TERM LOAN POWERS**)

All secured education loans **above Rs.7.50 lakhs** are to be sanctioned by **RAH Head & above authorities** up to their respective delegated powers.

Unsecured Vidya Turant Loans **above Rs.7.50 lakhs** are to be sanctioned by **RAH Head**.

RAH (DM/AGM) : **DM - 125 LACS AND AGM 250 LACS**

DISPOSAL OF LOAN APPLICATIONS : 15 days to 1 month (PRIORITY GUIDELINES TO FOLLOW)

Rejection of proposals : **concurrence of the NHA**

MISC POINTS : . 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.

SERVICE AREA APPROACH NOT APPLICABLE FOR SANCTION OF EDUCATIONAL LOANS:

No Due Certificate should not be insisted. (**DECLARATION TO BE TAKEN**)

653/21 01.10.21 : IBA MODEL EDUCATION LOAN SCHEME 2021– MASTER CIRCULAR

DAMODARAN COMMITTEE RECOMMENDATIONS FOR EL IN RURAL AREAS :

Minimum 30% of the loan accounts sanctioned to the students from rural areas.

REIMBURSEMENT OF EXPENSES : Expenses incurred during the **current academic year of the course only** can be considered by the Branch Managers/ RAH Head

ROI : Simple interest is to be charged during the study period and up to commencement of repayment.

Particulars (applicable for both priority and non-priority Education Loans)	ROI	Concessional ROI for Girl Students
Up to Rs.7.50 lakhs	RLLR+2.00%	0.50 %
Above Rs.7.50 lakhs	RLLR+1.60%	0,50 %

Extension of moratorium period for a maximum period of 1 year for genuine reasons (then also simple interest).

0.50% concession in ROI shall be allowed where interest is serviced during study.

Penal Interest : UPTO 2 LACS : NIL, ABOVE 2 LACS : 2 %

653/21 01.10.21 : IBA MODEL EDUCATION LOAN SCHEME 2021– MASTER CIRCULAR

Repayment holiday (Moratorium) : COURSE PERIOD + 1 YEAR AFTER COMPLETION OF COURSE.

Moratorium can be considered during **incubation period**, if the student wants to **take up a startup unit**.

RSA may permit extension of moratorium period, **keeping in view the nature of entrepreneurship activity and income generation ability, subject to a maximum of 2 years.**

Repayment : 15 YEARS EMI

Recall of Education Loans : Branches may recall the loan during the study period or before completion of extended period of two years, if there are reasons to believe that the student will not be able to complete the course/has intentionally abandoned the course.

No prepayment penalty will be levied at any point of time during the repayment period if the borrower makes prepayment from his own sources.

NOTE: Takeover of loan by other Banks/Financial Institutions, penal interest of 2% on the outstanding liability at the time of takeover is to be collected.

VIDYA LAKSHMI PORTAL (Online Education Loan Application Portal) :
Mandatory for all student applicant seeking education loan are advised to submit the application through Vidya Lakshmi Portal.

GOI set-up a fully IT based Student Financial Aid Authority to administer and monitor Scholarship as well as EL Schemes, through the Pradhan Mantri Vidya Lakshmi Karyakram (PMVLK) to ensure that no student misses out on higher education for lack of funds.

ROLE OF BRANCHES/RAH/CO:

Education loan application received applied through VLP Portal M/s NSDL.

Branch should advise applicant to visit the branch **within 15 days with all the original documents required for processing the application.**

If the student does not turn up within 15 days of receipt of online application, **a reminder letter should be sent to applicant**, informing him/her that the loan application submitted by him/her **will be lodged if they do not visit the branch within next 7 days.** for completion of the process. On expiry application will be marked as closed in Vidya lakshmi portal

CO follow up with RO/branches for logical end of the process, i.e., **sanction of the education loan or rejection with valid reason** and conveying the position to the applicant, **within 15 to 30 days of receipt of application.**

Service charges for issue of Capability Certificate

Particulars	Amount
Upto Rs.5.00 Lakhs	Rs 500
Above Rs 5 lacs	Rs.100/- per lakh, subject to a maximum Rs.1,500
Additional Capability certificate to same student for applying to other Universities / same university within 12 months from the issue of original Capability Certificate	Rs.50/- per certificate

CLASSIFICATION : Loans up to an amount of **Rs.20.00** lakhs for studies in India & abroad will be treated as **PRIORITY SECTOR**

Loans granted by Bank to NBFCs for **on-lending to individuals** for **EL purposes up to Rs.20 lakhs** for studies in **India and for sabroad** will also be treated as **Priority Sector Advance**

OBTENTION OF AOD:

AOD should be obtained after completion of 24 months, but before 27 months from the date of commencement of repayment (this is applicable wherever agreement is taken).

However, where only pronote is taken, AOD should be obtained after 24 months but within 27 months from the date of loan papers.

SUBSIDIES RECEIVED UNDER VARIOUS SUBSIDY SCHEMES:

Subsidy is available up to limit of Rs.7.50 lacs under CSIS (Rs 4.5 lacs scheme), even if the limit sanctioned is more than of limits specified above.

Subsidy is available up to limit of Rs.20.00 lacs only under Padho Pardesh (Rs 6 lacs income) and ACSISOBCEBC schemes, even if the limit sanctioned is more than of limits specified above

653/21 01.10.21 : IBA MODEL EDUCATION LOAN SCHEME 2021– MASTER CIRCULAR

PAN /UIDAI card copies should be submitted before **next disbursement or 6 months from the date of first disbursement** whichever is earlier.

OBTENTION OF CICs REPORT : up to Rs.4.00 Lakhs one CIC.

Above Rs.4.00 Lakhs two CICs

Education Loan irrespective of Risk Grades can be sanctioned RSA.

DOCUMENTATION : NF.1011: **Application form.**

MANAGEMENT QUOTA FOR PURSUING HIGHER STUDIES IN INDIA

100% Collateral security shall be obtained for loans **beyond Rs.4.00 lacs**

EL granted to individuals for EL **upto Rs.10.00 lakhs** for studies in **India** will be treated as **PRIORITY SECTOR.**

The student **should have scored minimum 60% marks** in the **qualifying examination for availing loan under Management Quota** (relaxation Circle in respect of genuine case)

Processing fees:

- i.** Loan amount up to Rs.7.50 Lakhs (Domestic & Abroad Studies): **NIL**
- ii.** Loan above Rs. 7.50 Lakhs (Domestic & Abroad Studies): **0.50% of loan amount within Min. Rs.1000/- & Max.Rs.10000/-**
- iii.** Vidya Turant Scheme: **NIL.**
- iv.** 100% waiver : **CGM/GM-HOCAC**
- v.** No Service charges : **Wards of employees/ exemployees, wherever employee/ex-employees are joint borrower in the loan.**



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PREPARED BY B V RAVI KUMAR-RSTC KOLKATA

An advertisement for Canara Bank Vehicle Loan. At the top, the Canara Bank logo is displayed with the tagline 'Together We Can'. Below the logo, the text 'Canara Vehicle Loan' is written in a yellow box. Underneath, it says 'Low & Attractive Rate of Interest' and '100% - 8.75%* EMI ₹ 1,595*'. The background shows a family of four (a man, a woman, and two children) smiling, and a white sedan car parked in front of them against a blue sky with clouds.

DISCLAIMER: The presentation is for academic and information purpose only.
Please be guided by the relevant laws, Circulars, Instructions etc.

- **OTHERS INCOME : (MODIFICATIONS IN VEHICLE LOAN)**
- Rental income / Income from investment / income of the spouse- **after production of documentary evidence (75/2021)**
- **CO-APPLICANT FOR SALARY/NON SALARY : SPOUSE/FATHER /MOTHER/SON/ UNMARRIED DUGHTER (75/2021)**
- **#Continuity of income of such family member throughout the tenure of the loan to be ensured and the tenure of the loan may be fixed .**
- Shifting of salary account to our bank / salary tie up in respect of all the applicants may be explored.

- FOR PRE OWNED CLASS : NOT OLDER THAN 3 YEARS (75/21)
- LEAST OF THE BELOW TO BE CONSIDERED :
 - 60% value of vehicle appraised/assessed by an automobile engineer.
OR
 - 60% of the price agreed to between the seller and buyer.
OR
 - 60% of the original purchase price of the vehicle.
- Rs 15 lacs after maintaining a minimum margin of 40%
- Rs 15 lac to 30 lacs (margin 50%)- RO HEAD CAC & ABOVE
- Rs 30 lac to 50 lacs (margin 50%)- CO HEAD CAC & ABOVE
- Auto mobile eng certificate : mention Future Life of vehicle
- Repayment : Future life or 60 months which ever is less

- **DOP FOR 2ND VEHICLE :**
- **Branches linked to RAH :**
- **2ND Vehicle–Credit worthy/Repaying capacity-RAH & ABOVE) -(159/21)**

- **OTHER THAN RAH LINKED :**
- **2nd vehicle loan : RSA UPTO DOP (159/21)**
- **3rd & subsequent : RO HEAD CAC& ABOVE (159/21)**

- **For all Branches (Linked or non-linked to RAHs)**
- **2nd and subsequent Vehicle for CORPORATES -**
 (without any upper ceiling on the number of vehicles)- **RO HEAD CAC**
 for all Branches)159/2021

- **EMARGO – NPA 5 % (VEHICLE LOANS) 159/21**

- **Branches mapped to RAHs having NPA levels of more than 5% under any Mortgage based loans have NO powers to sanction the loans under these schemes.**



- **To be sanctioned by RO HEAD CAC and above up to DOP**



- **Circle Heads are authorized to permit RAHs to sanction Retail Mortgage based Loans and have to review all mapped Branches to RAHs on quarterly basis duly analyzing the delinquency/ NPA levels before permitting such RAH.**

- MARGIN : (CAR LOAN OR FOUR WHEELER)-843/20 (both Existing & New Customers)

LOAN AMT	Central/State Government/ Autonomous bodies /PSUs employees	All others customers
UPTO 10 LACS	10%	10 %
10 TO 25 LACS	10%	15%
ABOVE 25 LACS	20 %	20%

- REPAYMENT : 84 EMI

➤ **CIC guidelines – (117/21)**

RISK GRADE	CIBIL/CRIF/ EQUIFAX /EXPERIAN (300-900)	Risk Description
CS: 1	750-900	Low Risk
CS: 2	700-749	Normal Risk
CS: 3	650-699	Moderate Risk
CS: 4	300-650	High Risk

➤ **LOW/NORMAL/MODERATE- RSA**

➤ **HIGH RISK – (600 TO 650)-RSA-ALL CONSUMER LOANS-**to employees of Central Govt./ State Govt./ PSUs subject to maintaining salary accounts with our Bank.

➤ 6 Months salary to be regularly credited,

➤ NO write off/settled in last 3 years.

➤ Credit card single default instance of not more than Rs 25000 in last 3 years

EXEMPT

-
- Loans against our own deposits
- Staff loans

- **CIC guidelines – (117/21) – DOP**

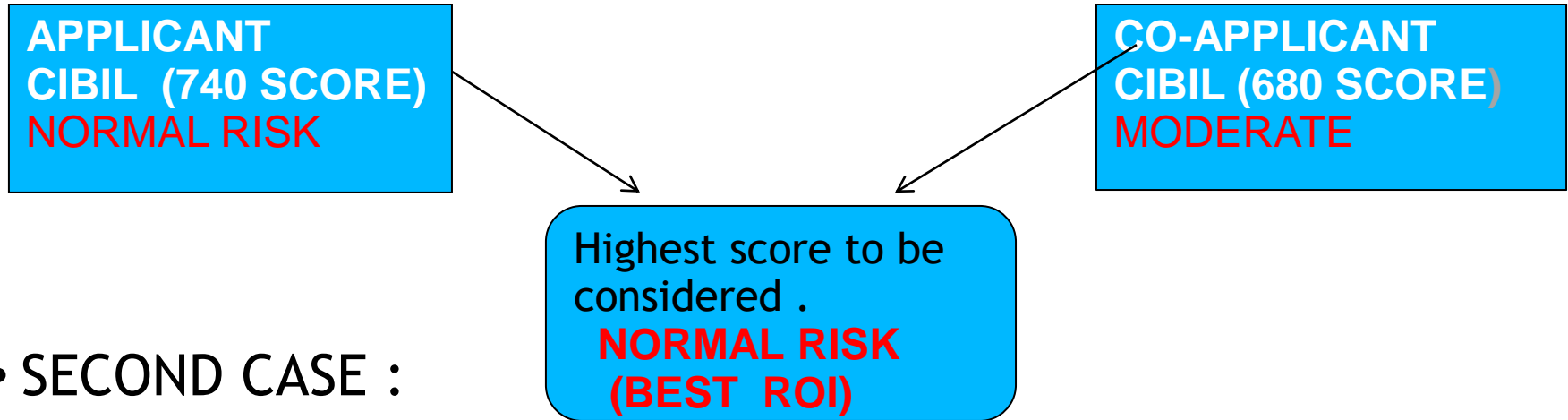
RISK GRADE	CIBIL/CRIF/ EQUIFAX /EXPERIAN	Risk Description
CS: 1	750-900	Low Risk
CS: 2	700-749	Normal Risk
CS: 3	650-699	Moderate Risk
CS: 4	300-650	High Risk

- **Pre sanction- Non generation is staff lapse**

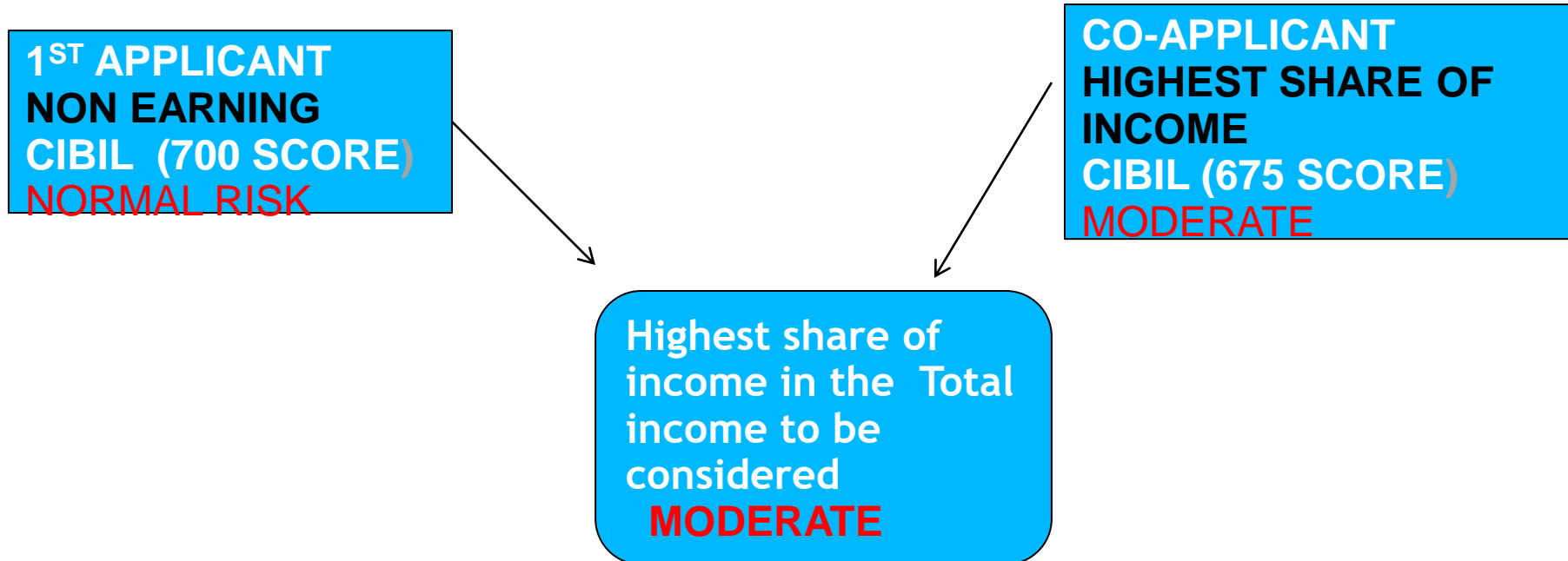
- LOW ,NORMAL, MODERATE RISK- Respective Sanctioning Authority
- CIBIL RISK INDEX (-1, 1, 2, 3, 4 to 5) –NORMAL POWERS
- REPORTS FROM TWO CICS- VEHICLE LOAN ABOVE -5 LACS
- Any TWO C.I.R and worst of the two scores to be considered

In case of multiple Borrowers & Co-applicant (258/21)

- HOW TO **FIX ROI** WHEN APPLICANT AND CO-APPLICANT



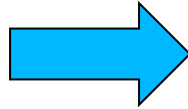
- SECOND CASE :



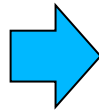
• **WOMEN BORROWER IS HAVING CONCESSION IN ROI**

• WHEN WE CAN OFFER ?

• Sole Applicant



• JOINT BORROWERS



**PROPERTY TO
BE
JOINT
OWNERSHIP
OR
SOLE OWNER**

women (258/21)

• **WOMEN NEED NOT BE AN EARNING MEMBER.**

- **RBI OBSERVATIONS : (143/21)**
- **Collection of Margin money** : Margin money to be credited by the party in their operative CC/OD account and subsequent debit transaction to be taken place from such account only while sanctioning. (**DIRECTLY WE SHOULD NOT DEBIT CC ACCOUNT FOR MARGIN**)
- **Crediting of Loan amount disbursement**: Proceeds should not be credited to party's CASA /CC/OD.
- Loan amount along with margin money should be routed through parking GL, by remitting the loan proceeds, by the Branches/RAHs and to be **reconciled on the same day**.
- **Routing Loan installments from GL account** : Loan installment amount should be paid directly to the loan account by the customer or through their operative CASA.
- **NO GLs to be utilized** for crediting loan installment amount

657/21 04.10.21 : RENEWAL OF SPECIAL PACKAGE UNDER RETAIL LENDING SCHEMES TO THE EMPLOYEES OF INDIA'S PREMIER EDUCATIONAL INSTITUTIONS / COLLEGES AND CENTRAL UNIVERSITIES COMING UNDER MoE & MOHFW AND WHICH ARE ELIGIBLE TO BE FINANCED BY HIGHER EDUCATION FINANCING AGENCY (HEFA) – ON ALL INDIA BASIS

Valid for one year i.e. from 01.10.2021 to 30.09.2022.

(Financing Two wheelers) has been introduced under this package.

Concession in ROI under HL, VL (including two wheeler) and Canara Budget Loans. **100% waiver in the applicable processing charges** for HL, CV (including two wheeler) and Canara Budget Loans valid till **31.12.2021**.

Respective **Branches can sanction** higher quantum of loan up to **25 months' gross salary subject to a maximum of Rs. 20.00 Lakh under Canara Budget Scheme with Risk gradation up to "Moderate Risk"**.

Acceptance of ECS facility and few PDCs for recovery of instalments **in lieu of Salary Mandate / Salary tie-up is permitted** in respect of HL and Canara Vehicle Loans.

666/21 07.10.21 : Dr. Ambedkar Central Sector Scheme of Interest Subsidy on EL for Overseas Studies in Masters, M.Phil & Ph.D for Other Backward Classes (OBCs) & Economically Backward Classes(EBCs) – Opening of Web Portal for submission of claims for JUNE & SEPTEMBER 2021 quarter of FY 2021-22 from 11.10.2021 to 29.10.2021

Ministry of Social Justice & Empowerment, Government of India

Category Present Income Criteria (per annum)

Other Backward Classes (OBC): Rs.8.00 lakhs

Economically Backward Classes (EBC) Rs.5.00 lakhs from 1.4.21. (EARLIER IT Rs 8 lacs 1.7.20 to 31.3.21)

700/21 27.10.21 : MODIFICATION IN PAYMENT OF S/C PAYABLE TO AUTOMOBILEDEALERS AND THEIR SALE EXECUTIVES FOR SOURCING THE PROPOSALS UNDER CANARA VEHICLE (4 WHEELER).

The payment of S/C to Car Dealers and Sales Executives, i.e.,

1.30% of loan amount with a max of Rs. 50,000/- and

Rs. 1,500/- respectively can be **made flexible between both within the overall permissible cap.**

The above payment to be permitted by RO Head

Housing Loan

**PMAY- 630,
HL to Corporate-632
HL to Agriculturist- 661
& HL to NRI-662**

Housing Loan general

Age of House/Flat: More than 20 years old may be permitted by CM of Branch/RAH Head & above authority

If proposal falls within Scale 4 Powers/RAH DM overseeing executive of RO /CO has to inspect & certify the acceptability

If House / flat age >40 year- shall be permitted by CO Head-CAC & above upto their delegated powers

Margin – Housing Loan

Housing Loan Quantum	In case of new house/ Flat or Old House/ Flat up to 10 years Old	In case of Old House/ Flat >10 Years Old (Irrespective of Loan)
Up to Rs.30.00 lakhs	10%	25%
Above Rs.30.00 lakhs & Up to Rs75.00 lakhs	20%	
Above Rs75.00 lakhs	25%	

In case of Repairs and Renovations: **Uniform Margin of 25%** on Project Cost Irrespective of the Housing Loan amount. (572/2019)

Rationalization of Risk Weight for new Housing Loans to be sanctioned on after 16.10.2020 up to 31.03.2022 Loan to Value (LTV) ratios, risk weights and provisioning for individual housing loans sanctioned on or after 16.10.2020 shall be as under:

LTV Ratio%	Risk Weight	Standard provisioning	asset
Less than 80%	35	0.25%	
Greater than 80% but less than 90%	50		

CATEGORY	BENEFICIARIES THE ANNUAL HOUSE HOLD INCOME
E W S	Rs.3.00 Lakhs
L I G	Rs.3.00 Lakhs and up to Rs.6.00 lakhs,
MIG-I	Rs 6.00 lakhs and upto Rs.12.00 lakhs
MIG-II	Rs12.00 lakhs and upto Rs.18.00 Lakhs

Margin

Margin for EWS/ LIG category borrowers under PMAY Scheme

Loan Amount	New House / Flat	Old House/Flat	
		Upto 10 years old	More than 10 years old
Upto Rs. 30.00 Lakhs	10%	20%	25 %
Above Rs.30.00 Lakhs & upto Rs.75.00 Lakhs*	20%	20%	25%

CRITERIA FOR AVAILING CLSS

Particulars	EWS	LIG	MIG-I	MIG-II
Annual House hold income	Upto Rs3 lakh	Rs3 lakh to Rs6 lakh	Rs6 lakh to Rs12 lakh	Rs12 lakh to Rs18 lakh
Maximum loan tenure	20 years	20 years	20 years	20 years
Housing loan amount eligible for interest subsidy	Upto Rs6 lakhs	Upto Rs6 lakhs	Upto Rs9 lakhs	Upto Rs12 lakhs
Max carpet Area	30 sq mtr	60 sq mtr	160 sq mtr	200 sq mtr
Interest subsidy	6.50%	6.50%	4.00%	3.00%

Purpose for which the loan can be granted and other details of scheme are as under

CLSS SCHEME TYPE	Interest subsidy	Max. loan on which subsidy is provided	Max subsidy (Rs)
EWS & LIG	6.50%	Rs.6.00 lakhs	2.67 lakh
MIG 1	4.00%	Rs 9.00 lakhs	2.35 lakh
MIG 2	3.00%	Rs 12.00 lakhs	2.30 lakh

HL TO AGRICULTURIST (75/21)

ELIGIBILITY : MINIMUM 2 YEARS



Eligible applicants who are not having dealings with us for the last 2 years and in case of applications from new branches



RAH Head (for mapped branches)
RO-Head-CAC (for not mapped branches) and above authorities,



selectively relax this condition subject to ensuring that applicant has satisfactory track record with his present Banker and required evidence to that effect is obtained.

In case the applicants are not banking with any other Bank or with our Bank earlier and otherwise qualify for the HL



RAH Head (for mapped branches)/
RO-Head-CAC (for not mapped branches) can permit
HL by ensuring the credit-worthiness and genuineness of the parties.

Canara Mortgage

Canara Mortgage - Modification in Guidelines- (75/21)

CANARA MORTGAGE : REPAYMENT

Upto 120 months (**10 years**)- by RSA

Upto 144 months (**12 years**) -by NHA

Upto 180 months (**15 years**) - by Circle Head CAC

Canara Mortgage Loan can be permitted against the property which is already mortgaged under any Retail Lending Scheme OR vice-versa.

In respect of sanctioning Canara Mortgage Loan **against property/ies already mortgaged for Education Loans, outstanding liability under such EL to be considered as 200% for arriving residual value.**

RETAIL LENDING-

SOP FOR PAYMENT OF S/C PAYABLE TO VEHICLE DEALERS AND THEIR SALES EXECUTIVES

-

RO Head at Regional Offices to authorize payment of S/C

General Charges- GL Code 420085490

@1.30% of Loan Amount to Vehicle Dealers with a maximum cap of Rs 50,000/-

- &
- Rs 1500/- to Dealer's Sales Executives for Sanctioned Proposals.

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RETAIL LENDING- 694/21 26.10.21

- **COVERAGE OF ELIGIBLE EDUCATION/SKILL LOANS SANCTIONED UNDER CGFSEL & CGFSSD**
- All Education Loans sanctioned up to a limit of Rs. 7.50 lakhs without any collateral security/third party guarantee are eligible for coverage under **Credit Guarantee Fund Scheme for Education Loan (CGFSEL)**.
-
- Skill Loans sanctioned up to a limit of Rs. 1.50 lakhs without any collateral security/third party guarantee are eligible for coverage under **Credit Guarantee Fund Scheme for Skill Development Loan (CGFSSD)**

Thank
you

