

## Operational Guidelines for Release of Movable / Immovable Property Documents on Repayment / Settlement / Closure of Loans.

### 1. BACKGROUND

The Reserve Bank of India (RBI) issued notification RBI/2023-24/60 on the release of movable/immovable property papers/documents on September 13, 2023, which applies to all Regulated Entities (REs) across the country. In furtherance of these directions, L&D Unit has devised the following operational guidelines to be followed for release of movable / immovable property documents on Repayment / Settlement / Closure of loans.

### 2. SCOPE OF OPERATIONAL GUIDELINES

The guidelines governs the release of movable/immovable property papers/documents to loan accounts that have been fully repaid/settled/ the account has been closed and no dues certificate has been issued by the concerned unit (presently Loan Recovery Unit) to the Borrower. These guidelines shall be applicable for both State and private sector loan accounts.

### 3. PROCEDURE FOR RELEASE OF SECURITY CREATED ON MOVABLE AND IMMOVABLE PROPERTY –

The process is initiated by L&D Unit post issuance of No dues certificate from the Loan Recovery Unit. In case of consortium lending, where PFC is acting as the Security Agent / holding the security on behalf of itself and other lenders, the process shall start after the Borrower provides the No dues and charge release certificate from the other co-lenders. Further, in the loan accounts, where the Borrower has appointed a Security Trustee, the duty of timely release of the security is to be followed by the Security Trustee in line with the applicable regulatory procedures.

The broad operational guidelines may be enumerated as follows -

#### a. Release of Movable/Immovable property documents -

Sl. No.	Nature of Security	Steps for Release
1)	Equitable Mortgage	<p>a) The Borrower is required to download and fill the details of the charge vacation form. It is then first signed by the Borrower and then emailed to PFC for its signature;</p> <p>b) The completed form is then uploaded by the Borrower in the ROC portal for registering the vacation of charge;</p> <p>c) The Mortgage deed is cancelled and returned to the authorised signatory of the Borrower (in line with its board resolution) alongwith the original title documents;</p> <p>d) Simultaneously, necessary filings are done by PFC to vacate CERSAI entries.</p> <p><i>Note: Steps a &amp; b are not applicable for individuals.</i></p>
2)	Registered Mortgage (including Assignment)	<p>a) Release Deed is to be drafted by the Borrower and then submitted to the concerned Registrar's office;</p> <p>b) Once date is provided for signing, the Borrower's and PFC's authorised representative attend to the Registrar's office for release of security;</p>

		<p>c) After the receipt of the acknowledged Release Deed from the Registrar's Office the steps pertaining to vacation of Charge with ROC is undertaken by the Borrower (as mentioned in point (1) (a) &amp; (b) hereinabove;</p> <p>d) Simultaneously, PFC shall take steps for removing the CERSAI entries.</p> <p><i>Note: Step c is not applicable for individuals.</i></p>
3)	Hypothecation	<p>a) The Borrower takes necessary steps pertaining to vacation of Charge with ROC (as mentioned in point (1) (a) &amp; (b) hereinabove;</p> <p>b) The Deed of Hypothecation is cancelled and returned to the authorised signatory of the Borrower;</p> <p>c) Simultaneously, PFC shall take steps for removing the CERSAI entries.</p> <p><i>Note: Step a is not applicable for individuals.</i></p>
4)	Pledge	<p>a) The necessary form is filled up by PFC stating the no. of instruments to be released and submitted to the relevant depository participant for release of the same;</p> <p>b) The Borrower takes necessary steps pertaining to vacation of Charge with ROC (as mentioned in point (1) (a) &amp; (b) hereinabove;</p> <p>c) The Deed of Pledge is cancelled and returned to the authorised signatory of the Borrower;</p> <p>d) Simultaneously, PFC shall take steps for removing the CERSAI entries.</p> <p><i>Note: Steps a &amp; b are not applicable for individuals.</i></p>

**b. Release of Movable/Immovable property documents in the event of Death of the property owner, where the owner, of the assets charged to PFC, is an Individual -**

Sl. No.	Particulars	Steps for Release
1)	In case will is available	<ol style="list-style-type: none"> <li>1. Request letter from the legal heirs (successors) informing the death of the property owner/ mortgagor and his/her/their relationship with the deceased property owner/ mortgagor;</li> <li>2. Death Certificate in respect of the person deceased;</li> <li>3. If the Borrower has left a will, the same is to be probated if the Will is made in Bombay, Chennai and Kolkata or if the said Will refers to the properties situated in these states or any other state where the probate is mandatory as per law.</li> </ol>
2)	In case no will is available	<ol style="list-style-type: none"> <li>1. Letter of Administration or Succession certificate indicating who is / are the successors to the property;</li> <li>2. An indemnity from the legal heirs; and</li> </ol>

		3. If all the legal heirs are not coming to collect the property papers/documents or other collateral, notarised authority letter from the legal heir of the property who is/are unable to come to collect the documents in favour of the person (legal heir) who has made a request to PFC to collect the property papers/documents or other collateral.
Note: Post the abovementioned process, PFC shall take steps for cancelling the security documents and removing the CERSAI entries.		

Provided that, in the event of death of the property owner/co-owner, if the required parties are not available for reasons beyond control of the Lender or the relevant documents for release of property documents are not available, then the Lender shall be entitled to take decisions on case-to-case basis.

#### 4. Timeline for release of security

- i. PFC shall release all the original movable/immovable property documents within a period of 30 (thirty) days after full repayment/ settlement of the loan / issuance of No dues Certificate and process initiation by the Borrower (whichever is later) or the timelines provided vide RBI circular dated 13/09/2023, as amended from time. The timeline vis-a-vis the corresponding milestone shall as follows :-

<b>Timeline</b>	<b>Milestone</b>
T <sub>0</sub>	Loan closure/ full repayment/ settlement date / No dues Certificate (whichever is later) by PFC
T <sub>0</sub> + 15 days	Removal of RoC charge in line with the steps mentioned at Clause 3 hereinabove.
T <sub>0</sub> + 30 days	Release of movable / immovable papers / documents (including release of documents from the Registrar's office) in line with the steps mentioned at Clause 3 hereinabove.
Computation of 30 days	The steps required to be carried out at the Borrower's end (as indicated at Clause 3 hereinabove) and the time taken for the same shall not be included in computing the said period of 30 days.

\*\*\*