



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Product Paper – NCC Home Loan

Introduction

This product has been structured for part financing accommodation facility for Nepali individuals having identifiable and stable income source.

Type of Loan

Long Term Loan

Purpose of the loan

This product is for part financing

- Construction and furnishing of house on existing land
- Purchase of land and construction of a house
- Purchase of house
- Purchase of flats/apartment/buildings developed by real estate developers
- Purchase of land
- Repair/renovation/additions/alteration of already owned house
- Re-finance of housing loan already financed by other Bank/FIs

Eligibility

- Should be a Nepali Citizen
- Self-employed professionals (Doctors, Engineers, Chartered Accountants, Consultants, etc)
- Employees of corporate entities
- Businessman
- Any other individual having identifiable and stable sources of income.

Basic Criteria

- Minimum and Maximum age of the applicant to be 18 years and 58 years for salaried individuals at the time of expiry of loan. However it shall be 65 years for others.
- The applicant should have a stable and sustainable source of income. Income of spouse, one house family member of the applicant may also be included for this purpose, provided that they are the guarantor for the loan.
- The gross monthly income of the applicant should be double the Equated Monthly Installment (EMI).
- In case of loans to purchase flat developed by the real estate developers, the owning company (developers) should be reputed having track record of being in the similar business in the past.
- The proposed site should be within the city area of NCC Branch Centre or adjoined VDC. The branch should ensure that the property has adequate resale prospect.
- For purchase of house, the registration pass value of the property should be equal or more than the loan amount.
- The proposed site should have motorable access of at least 8 ft.
- For refinance of loan outstanding with existing Bank's/FIs following to be complied with,
 - The "Pass Loan certificate" to be produced
 - Minimum 12 months continuous satisfactory repayment.

NCC Home Loan-PP



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Product Paper – NCC Home Loan

Loan Amount

- Minimum amount of the loan shall be NPR 500,000/-
- Maximum amount of the loan shall be Rs.10,000,000/-
- The borrower's margin will be minimum 25% of cost of construction and 30% of purchase of built up house/flat/apartment.
- For repairs / renovation/ additions / alterations the maximum amount of loan shall not exceed Rs.2.00 million
- For furnishing of the newly built house under NCC finance, the limit shall not exceed 10% of the total cost of construction or Rs.0.50 million, whichever is low.
- Cost of land not to exceed 80% total cost of the project in case of cost of purchase of land also forming part of the financing need.
- Finance for purchase of land will be limited to 80% of distress value of the property. The facility to purchase a land to be allowed for residential purpose and only for deserving cases and not for speculative purpose.
- The cost of the property has to be estimated by Architect/Engineer/Developer should be certified by the bank's enlisted valuator.

Pricing

Interest Rate	As decided by the Bank from time to time
Processing Fee	1% to be collected up front upon approval of the loan
Prepayment Fee	1% on amount prepaid <ul style="list-style-type: none">▪ Prepayment shall be applied in reverse order▪ Minimum prepayment should be of Rs.25,000/- or multiples thereof
Penal Interest rate	3% p.a. on due amount for the period of default
Loan Swap Fee	2% on the outstanding loan amount
Other	For proposal seeking waiver in terms and conditions, additional interest of 0.5% above the applicable interest rate may be charged

Pricing may be reviewed periodically by the Management within its discretion.

Service Delivery 7 to 10 days

Disbursement

- For outright purchase of house/flat, the loan will be disbursed in lump sum to the vendor/seller at the time of registration after satisfying that borrower has paid/provided for the balance amount/his contribution. (as far as possible, advance money/full margin should be paid through the Bank).
- For house/flat under construction the loan amount will be disbursed in phase-wise basis depending upon the progress of construction and / or demand raised by selling agency after ensuring that the borrower has invested his pro-rata share towards required margin by physically verifying the progress by the bank's official.

NCC Home Loan-PP



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Product Paper – NCC Home Loan

Repayment

- Equated monthly installment (EMI). The first EMI shall start from 1st day of Gregorian month from the next/next to next month of the final disbursement.
- In case of purchase of built up house/flat/apartment, the repayment should start after one month from the date of final disbursement of loan or 3 months from the date of advances, whichever is earlier

Eligible Source of Income

- Salary/pension Income supported by salary/pension statement
- Business income supported by latest Financial Statement
- Professional Income supported by Income/ Expenditure statement.
- Dividend/Interest income supported by dividend/interest coupon.
- Rental Income supported by "Rent Agreement".
- Any other income as deemed fit by the Bank.
- The applicant should have at least 2 years of past involvement in similar profession/job/business and the same should be live at the time of applying for the loan.

Tenure

- Maximum of 20 years excluding the moratorium period of maximum 1 year.

Insurance

- The applicant shall ensure that the building forming part of the security is insured at all times having a comprehensive insurance policy (covering at least against the risk of fire, earthquake, flood, terrorism, riot etc.) with Bank's interest duly endorsed on the policies. If the financing includes furnishing as well then the furniture should be insured against the risk of burglary as well. The original policies shall be held in custody of the Bank.
- The applicant shall pay all incidental (legal and contingency) expenditures for availing the insurance policy.
- The insurance of land is not required.

Security

- Registered mortgage over the real estate property being financed.
- Hypothecation over all furniture and equipments.
- Insurance policy endorsed in favour of the Bank.
- Demand Promissory Note.
- Personal/Corporate Guarantee, if any.

Basic Documentation

- Completed application form.
- Completed Know Your Customer (KYC) form.
- Passport size photograph of the borrower and guarantor.
- Map of the applicants' and the guarantor's residence.
- Copy of Citizenship/passport of the applicant and guarantor.

NCC Home Loan-PP



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Product Paper – NCC Home Loan

- Income statement or cash flow of the applicant – proof for substantiation of the income to be submitted:
- **In case of salaried individuals**
 - Salary Statement from the employed organization/company
 - Latest two salary slips (if any).
- **In case of self employed professionals**
 - Detail of income source/ profession
 - Proof of last 2 years of continuous practice.
- **In case of self employed businessman**
 - Firm/ Company registration certificate (If any)
 - Income Tax Certificate
 - Financial statements related to the business
- **In case of other sources**
 - Lease payment receipt or agreements
 - Dividend / Interest warrant, etc.
 - Other sources
- Relationship certificate with spouse.
- Title Deed of land.
- Copy of "Land Registration Deed"
- Building Construction Permission letter from competent authority.
- Latest land revenue payment receipts.
- Four boundaries certified Copies.
- Blue print of land.
- Approved drawing of the building to be constructed (where applicable).
- Cost estimation duly prepared by qualified civil engineer/architect.
- Trace map

Security Documentation

- Accepted copy of Bank's sanction letter.
- Insurance Policy endorsed in Bank's favour with premium paid receipt
- Personal guarantee (if any).
- Loan Deed
- Demand Promissory Note.
- Registered mortgage over the land and building.
- Home Loan Agreement
- Hypothecation Deed over entire fixed/current assets of the proposed house
- Tripartite agreement in case of house/flat purchased from Housing Development Company.

Credit Approval Discretion (CAD)

- The CAD is rest with Chief Executive Officer until further notice from the Corporate Office.



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Product Paper – NCC Home Loan

Security Valuation

- Valuation/estimation of construction of proposed house to be done by the Bank's approved valuator, which should be verified by the Branch Manager/Second in command of the Branch. They should mention the estimated value of the property in the credit appraisal and get the valuation done after approval of the loan.

Loan Recovery Process

- In case of default of any loan for more than 1 month, a follow up letter would be sent to the borrower immediately
- If the default is not rectified within 2 months from the date of the follow up letter a legal notice of 35 days would be sent in similar manner.
- If the default is not rectified upon initiation of above processes, legal action to be initiated against the Borrower/ Guarantors and the security held for the loan.

Reporting to Corporate Office

- Monthly / Quarterly statement of NCC Home Loan
- Monthly Irregular Statement of NCC Home Loan

Credit Waiver

- The waiver in the terms and conditions of the proposal should specifically approve by Chief Executive Officer under his CAD.

उद्देश्य निरूपित

अनुमति

अनुमति