

HOME
LOAN



PERSONAL
LOAN



BUSINESS
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BALANCE
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CAR
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WORKING
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HOME
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ACCIDENT



TRAVEL
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HEALTH
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PENSION
PLANS

Loan against Property FAQs

- **In LAP, until when is the sanction letter valid?**
 - For 3 months the sanction letter is valid.
- **What is the collateral required in LAP?**
 - Any owned property (residence or commercial)
- **Will the co-applicant's salary or income be included in the eligibility?**
 - Yes, in case of spouse your salaries can be clubbed for the purpose of calculation of the loan amount. This can be done either when the property is jointly held with the spouse or the spouse stands as a guarantor.
 - Even parents income can be added.
- **What is carpet area?**
 - Carpet Area is the area enclosed within the walls, actual area to lay the carpet. This area does not include the thickness of the inner walls. It is the actual useable area of an apartment, office, unit, showroom etc.
- **What is built up area?**
 - Built up Area consists of carpet area, area covered by inner and outer walls and additional areas mandated by the authority such as flower beds, dry balcony etc.
- **What is super built up area?**
 - Super Built Up Area is the built up area plus proportionate area of common facilities such as the lobby, lifts, shaft, stairs, etc. Sometimes it may also include the common areas such, swimming pool, garden, clubhouse, etc. This term is therefore only applicable in the case of multi-dwelling units.
- **What is approved plan?**
 - The building plan made by the developer which is approved by the Municipal Corporation or the concerned authority is approved plan.
- **What is CC and OC?**
 - CC means Commencement Certificate. A commencement certificate is issued by the local authorities to allow the builder to begin construction once all norms have been met. Unless the commencement certificate is granted, the construction is illegal. It is subsequent to the approved plan.
 - OC means Occupation Certificate. This certificate issued by the local municipal body to the builder /developer once the said building is complete in all respects and fit for occupation.
- **What is conveyance deed?**
 - Conveyance is the act of transferring ownership rights of the property (plot of land where the building is built) from the developer / builder / development authority to the society.
- **What is share certificate?**
 - In a society share certificate is issued to its members (flat owners); it is a legal document that certifies ownership of a specific distinctive number of shares in a society. Share certificate will bear the seal of the society & will be signed by the Chairman, and the Secretary. During LAP Share Certificate is very much important document required for sanctioning your loan.
- **What is Stamp Duty?**
 - It is a duty collected by the state government. Stamp duty is a government tax, which is levied on all legal property transactions. Stamp duty is, therefore, a tax which is evidence, as it were, of any purchase or sale of a property between two or more parties. It is paid as per the true market value as assessed by the Stamp Office. Stamp duty is decided by the respective State and hence would vary from state to state. When an agreement is to be franked, it needs to be unsigned and undated.
- **Where is the registration done?**
 - The agreement should be registered with the Sub-Registrar of assurances under the provisions of the Indian Registration Act. Stamp duty is to be paid prior to the Registration.
- **What is chain of agreements in LAP?**

- In LAP chain Agreements is chain of all the agreement right from its first purchase from the builder to the present owner. During LAP process we need to submit the chain of agreements to the banks/NBFC to do technical and valuation of the said property.
- **What is legal and technical verification?**
 - In LAP legal verification is a process where all the agreements & documents related to the concerned property are given to a lawyer to verify the legal and title of the concerned property. It is done by panel of qualified lawyers appointed by the Banks/NBFC.
 - In LAP technical is a process where the valuator assigned by the BANK/NBFC evaluate the cost of the property, checks its permissions and the condition of the building. It also checks whether the property is mortgagable and free from all legal issues.
- **What is OCR?**
 - OCR means Own Contribution Receipt. It is the amount paid by the purchaser to his seller and a receipt acquired for the same. It is advisable for the purchaser to pay his own contribution to the builder / seller by cheque and obtain receipts for the same.
- **What is NOC and why is it important?**
 - NOC means No Objection Certificate. It is asked by the lenders from builders/society on their letter head. In this letter the builder / society mentions that they have noted in their books the charge created by them on the said property. All Banks/NBFC have their own format which builders/society need to oblige. To obtain this all the dues & transfer charges of the society need to be cleared. It is mandatory to the committee to issue the NOC in the prescribed banks format under Maharashtra Co-operative Society Act, 1960 u/s 79(2)(a).
- **What is equitable mortgage?**
 - An equitable mortgage is the transfer of an interest in property to a lender as a security for a loan of money on the condition that this interest will be returned to the owner when the terms of the mortgage have been satisfied or performed. Bank/NBFC give this loan by deposit of title deeds of the property (interest) with the lender.
- **What is Residential mortgage?**
 - In this case property is registered with sub-registrar and charge is created against the property in Government records.
- **Can I get LAP by mortgaging property overseas?**
 - NO! One cannot get LAP by mortgaging property overseas.
- **Do I get a refund of processing fees if I do not avail the loan?**
 - No, the processing fees are non-refundable.
- **What does "Agreement to sell" mean?**
 - The 'Agreement to Sell' in a property transaction is a legal document executed on a stamp paper that records in writing the understanding between the buyer and the seller and all the details of the property such as area, possession date, price etc.
In many Indian states, the Agreement to sell is required to be registered by law. We suggest that in your own interest you should register the Agreement within four months of the date of the Agreement at the office of the Sub-Registrar appointed by the State Government, under the Indian Registration Act, 1908.