**Loan against Property (LAP)**

**Loan Against Property** is a secured loan in which property (residential/commercial/industrial) is being used as a collateral to raise funds from a financial institution. Loan against property may be used for child education, business expansion, construction, renovation, buying another property etc.

**Benefits**

* Lower rate of interest
* Longer repayment tenure of upto 15 years

**Computation of amount of Loan Against Property**

The loan amount is based upon the market value of the property. The maximum amount is subject to Lon To Value (LTV), which varies from 50-70 % of the market value of the property.

For example, if your residential property (self occupied) is worth 100 lakhs in the market, you can avail a loan against property in the range of 50-70 lakhs depending upon the lending policies of financial institution and income of the applicant to pay the EMIs.

**Eligibility criterion:**

Eligibility of a candidate for LAP depends on several factors like:

* Income of the applicant
* Age
* Qualification
* Spouse’s income
* No. of dependents
* Market value of property
* Savings History
* Assets/Liabilities of the applicant
* Stability and continuity of occupation

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|  | **Entity** | | | |
|  | **Salaried** | **Sole Proprietorship** | **Partnership** | **Private Limited Company** |
|  | **Individual** | **Proprietor** | **Partner** | **Director** |
| **Individual documents** | | | | |
| Age & ID proof (any of the below): of Proprietor/Partner/Director   * PAN Card * Passport * Drivers’ License * Aadhar Card | **Yes** | **Yes** | **Yes** | **Yes** |
| Residence Address Proof (any of the below): of Proprietor/Partner/Director   * Passport * LIC Premium (not over two months old) * Utility Bill (not over two months old) * Arms License (not over two months old) * Mobile Bill (not over two months old) | **Yes** | **Yes** | **Yes** | **Yes** |
| Photograph of Proprietor/Partner/Director  with Signature | **Yes** | **Yes** | **Yes** | **Yes** |
| Sanction letter and schedules/Statement of loans in the name of individuals/partners/directors | **Yes** | **Yes** | **Yes** | **Yes** |
| Residence/Office Ownership (any of the below):   * Electricity Bill * Sales Deed Copy | **N.A.** | **Yes** | **Yes** | **Yes** |
| IT Return/Form16 of last 3 Years | **Yes** | **Yes** | **Yes** | **Yes** |
| Photograph with Signature | **Yes** | **Yes** | **Yes** | **Yes** |
| Last 6 months bank statement of all operative accounts | **Yes** | **Yes** | **Yes** | **Yes** |
| In the case of transfer of a loan: Last 12 months of  loans statement  along with the Sanction Letter of your previous bank | **Yes** | **Yes** | **Yes** | **Yes** |
| **Company/Firm related documents** | | | | |
| Business continuity proof - 3 years income tax return & income  statement | **N.A.** | **Yes** | **Yes** | **Yes** |
| Last3year audit report and audited financials | **N.A.** | **Yes** | **Yes** | **Yes** |
| Business incorporation date proof - PAN Card | **N.A.** | **N.A.** | **Yes** | **Yes** |
| Office Address proof (any one of the flowing):   * Utility bill (Electricity) * VAT/Sales Tax/Service Tax Registration certificate | **N.A.** | **Yes** | **Yes** | **Yes** |
| Partnership Deed | **N.A.** | **N.A.** | **Yes** | **Yes** |
| Certificate of Registration | **N.A.** | **N.A.** | **Yes** | **Yes** |
| List of current partners with shareholding on firm letterhead | **N.A.** | **N.A.** | **Yes** | **Yes** |
| MOA(Memorandum of Association ) and AOA (Articles of Association) | **N.A.** | **N.A.** | **N.A.** | **Yes** |
| Latest share holding pattern on company letterhead | **N.A.** | **N.A.** | **N.A.** | **Yes** |
| List of current Directors on company letterhead | **N.A.** | **N.A.** | **N.A.** | **Yes** |
| Certificate of Incorporation | **N.A.** | **N.A.** | **N.A.** | **Yes** |
| **Property Papers** | | | | |
| Latest Sale Agreement & Previous Chain of Titles with Sanctioned MAP | **Yes** | **Yes** | **Yes** | **Yes** |
| Occupancy Certificate | **Yes** | **Yes** | **Yes** | **Yes** |