

[illegible]

2. Written Record of transaction
3. Legal coverage
4. Documentary evidence
5. Deciding Period of limitation
6. Filling of cases. ■ It identifies borrower, guarantor, security, nature of charge & creation of Bank's charge on security.

■ Document is a written statement of facts evidencing certain transactions covering legal aspect duly signed by the authorized concerned persons having legal status.

- Helps Bank to safeguard it's interest by incorporating protective clauses as & when felt necessary.

■ The Documents should correctly be taken by the Bank in order to create required charge on the securities effectively in favour of the bank.

■ There is no credit or investment without documentation.

■ Documentation is permanent record of rights and liabilities of bank, borrower and guarantor (if any) of a credit.

2. **Security Documents** : it establishes the right of the bank on the property of the borrower.

1. DP note (CF-1,2) 1. Tile deed and via deeds with khatian.

1. Letter of request

2. Letter of continuity (CF-11) 2. Mortgage deed 2. Sanction Letter
3. Letter of Guarantee (CF-6) 3. Power of Attorney 3. Letter of acceptance
4. Letter of Hypothecation (CF-8) 4. Affidavit 4. Letter of authority
5. Letter of deposits of title deeds (CF-10)
5. Agreement 5. Balance conformation
6. Other charge documents 6. Rent receipt 6. Letter of disclaimer
7. NEC from sub register office
8. Letter of undertaking
8. Others documents 9. Letter of arrangement and disbursement.
10. others

Some of the forms may be said to be the forms which have common requirements as CHARGES

CF

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in the

credit line are depicted here under

There are different types of loans and advances and so documentation will depend on and will vary considering the types of advances and types of properties/Securities to be charged, still then there are some common compulsory documents that are always to be obtained while disbursing loans and advance such as ;Master/common documents.

There are some common compulsory documents that are always to be obtained while disbursing loans and advance such as

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1. The application received from the borrower
2. Letter of agreement.
3. Execution of Deed of Mortgage and POA
4. Sanction advice
5. Letter of acceptance
6. DP note (C.F-1,2)
7. Charge forms (C.F)
8. Letter of Arrangement
9. Letter of disbursement
10. Letter of authority.
11. Letter of disclaimer
12. Balance confirmation.Procedures OF Documentation.

■ Drafting/Taking Proper Documents/Printed Formats.

■ Stamping.

■ Filling Up documents properly as per sanction letters .

■ witnessing

■ Execution of the documents

■ Verification of signature

■ Checking.

■ Records of documents

■ Registration .

■ Preservation/Safe custody.

■ Documents as per approval letter.

(Rupali bank Credit Manual -2014, P-118)CONTENTS OF DOCUMENT

1. Correct name of borrower/guarantor. (MÖvnK I Rvwgb`vþii bvg)
2. Issuing date (WKzþg`Um Bm~`i ZvwiL)
3. Borrower's address (FY MÖnxZvi wVKvbv)
4. Loan account number/section advice no. (Abyþgv`vb bæ^vi I ZvwiL)
5. Sign of the both party (`^vÿwiZ)

6. Properly stamped. (Dchy³ ÷"vāú jvMv†Z n†e)
7. Description of security and goods. (RvgvbZ I gvjvgv†ji weZib)
8. Amount of loan/limit. (FY mxgv/F†bi cwigvb)
9. Terms of Repayment. (cwi†kv†ai kZ@vejx)
10. Other Terms mutually agreed upon. (Ab"vb" kZ@vejx)
11. Date & Place of execution . (WKz†g'Um māú`†bi ZvwiL I "vb)
12. Valid & Legally enforceable. (AvBb Øviv ejeZ†hvM" aviv)
13. Expiry date (†gqv` DĒx†Y©I ZvwiL)i) Prepare a list of require Documents.

ii) Verify the legal capacity of the executor.

(Minor/Insana/Bankrupt cant executor of documents)

(In case of LLC, power should be witin the limit of MoA &AoA)

iii) Affix properly valued adhesive stamp or type on a duly stamped paper.

iv) Execution:

■ In presence of Manager.

■ In one sitting & with indelible ink

■ Any correction alteration etc must be authenticated with full signature

■ Correctly dated

■ If several pages executor (s) put their full signature in all pages

■ Witness

■ Registration■ Drafting orTaking Proper Documents Formats.

■ Filling Up the Formats properly and correctly .

■ Stamping (Adhesive, Embosed, Nonjudicial).

■ Witnessing (Mortgage Paper/IGPA) (but DP note, LG, Pledge, Hypo needs no witness)

■ Signing (Execution)

■ Verification of Signature as per SS of AoF

■ Proper Dating of execution is required(to fix the limitation time)

■ Checking and correcting with authentication.

■ Registration where necessary (1. SRO-Mortgage , 2. RJSC-Charge) .

■ Contents: Name, array, description, rate of Interest, due balance, terms and conditions ectto be clarely mentioned)

■ Documentation Charges/fees collection

■ Cancellation of stamps (other than embosed stamp).

■ Recording/Entry in the proper register.

■ Safe-keeping and preservation after serealing in SISO Register

■ Documents as per approval letter.■ Obtain full set of documents depending upon the nature of facilities.

■ Fill in the documents correctly as per the terms of Sanction .

■ Never to deliver blank documents to the borrower for execution in absentia as it may prove to be fatal.

■ Schedules of Securities should be properly filled in full details.

■ As a principle, the security documents should always be signed by the borrower/s himself/themselves and not by their Constituted Attorneys otherwise it may lead to several legal complications.1. Correct name of borrower/guarantor.

2. Proper particulars (Drafting part).

3. Properly stamped and Cancellation.

4. Description of security.

5. Consideration amount, i.e. Amount of loan/limit.

6. Terms of Repayment .

7. Other Terms mutually agreed upon.

8. Date & Place of execution .

9. Duly registered wherever required .

10. Valid & Legally enforceable.■ Documents should be properly filled in

■ All additions, insertions, alterations, cutting etc must be properly authenticated under full signature of the

borrowers. Overwriting ,erasing in a document should not be

allowed

■ Execution should be in the presence of officer responsible for obtaining them as he should be able to identify the executants personally.

■ Same handwriting, same ink for maintaining continuity and uniformity in the fields.

■ Full signature (not initials) & each page to be signed at same style (specimen signature card) at the end and at also the places wherever blanks (information to be filled in) appear.

■ Date & Place of execution. ■ Word 'ONLY' never to be put after the amount particularly in the DP Note.

■ Power of Attorney (POA) should be irrevocable and registered.

■ Documents to be entered in the security register under initial of responsible officer.

■ Illiterate person – contents of the documents to be explained in the language understood by him.

■ Declaration to be obtained from borrower duly countersigned by responsible officer to be kept on record.

■ Normally we obtain Right Hand Thumb Impression (RHT) in case of females & Left Hand Thumb Impression (LHT) in case of males. ■ The date of the document should be later than the date of the stamp paper.

■ Better if the cost of stamps is debited to the borrower A/C.

■ Date to coincide with first disbursement.

■ Documents in case of limited company , partnership firm, association etc. the laws and regulations of the company, firm , association etc must be consulted and satisfaction of charge is necessary in case of charging assets of the ltd company.

■ Documents can not be punched and to be preserved in cover file WITNESSING under section 3 of Transfer of Property act -1882 If document is not duly witnessed will be treated as not executed, must be executed first then witnessed by 2 or more persons not a party to the transaction.

1. Mortgage Deed

2. POA

3. Loan contract

4. Sale deed.

5. Assignment on Instrument

6. Will.

7. Personal guarantee.

8. Others. VALUE / CANCELLATION OF STAMPS

1. Document should be stamped on or before execution. (Stamp act-1988, sec.17)

2. Value of the Stamp . In case of doubt, collector stamp duty will decide the amount. (Stamp act-1988, sec.31)

3. By executants in writing and cross the stamp so that it cannot be reused.

4. Non Cancellation will be deemed as unstamped. (Stamp act-1988, sec.12)

5. One signature to be obtained outside the stamp also. 24 stamp

1. Adhesive stamp 2. Judicial stamp 3. Non-Judicial stamp

■ Stamp Act 1899 (Act No. II of 1899) is in force in Bangladesh.

■ stamp duty has been revised on 28 June-2012 and introduce

from 1, July – 2012. ■ Individual;

■ Joint Account holder;

■ Hindu Undivided Family (HUF);

■ Trusts;

■ Executors & Administrators;

■ Agent/Attorney;

■ Firms – Proprietary & Partnership;

■ Clubs & Associations;

■ Limited companies;

Legal provisions & Documentation differ for all above

customers. ■ Minor – Guardian to execute clearly stating him as guardian for the minor.

■ Sole Proprietorship – PROPRIETARY FIRMS Business wholly owned by an individual. In law, there is no difference between proprietor & the firm. Creditors have recourse not only against assets of the firm but also against private assets of the proprietor. Proprietor has to sign documents on behalf of the firm as well as in his individual capacity. On DP Note “We” to be written.

■ HUF (Hindu Undivided/Joint Family)– Documents to be executed by Karta. All major coparceners (Partners of joint property) to be made guarantors.

■ Illiterate Borrower– Normally Left hand thumb (LHT) impression in case of males in the presence of Bank official. Wording to appear below LTI – “Left Thumb Impression of Shri-----”. This should not be attested on the document.

May be attested on a separate piece of paper which may be kept with the documents. Additionally, a letter stating that the contents of the documents were explained to & understood by him to be obtained and countersigned by a witness & kept on record.²⁷

JOINT BORROWERS :

■ Two or more persons or a group of individuals who do not constitute a registered body of association are called joint borrowers.

■ All documents are signed by all – jointly & severally. It means all are jointly liable plus each one of them is individually liable for repayment of Bank's dues.

■ In case of death or insolvency of any one or more of joint borrowers, account showing debit balance is broken to determine liability of deceased joint account holder/s.

Partnership firm

■ Documents to be executed by all partners on behalf of firm as well as in their individual capacity. This is to make their individual estate liable for bank's dues.

Limited company –

■ As per stipulation in Board Resolution. Affixing of common seal of the company on security documents. Registration of charge with Registrar of Companies (ROC) under S.172 of Companies Act 1994. Charge to be created within 21 days of the date of documents. Form 8 – For Registration & Modification of charge. Form 17 – For satisfaction of charge. ■ Lien

■ Assignment

■ Set-off

■ Pledge

■ Hypothecation

■ Mortgage Commercial bank generally extends loan facility to its customers against the lien of ;

1. Fixed deposit Receipt (FDR).

2. Credit balance of DPS,SPS etc

Documentation:

1. Application from the customer.

2. DP note

3. Letter of continuation (CF-11).
 4. CF.12,19,19A
 5. CF-6 in case of third party guarantee
 6. Letter of authorization
 7. Sanction advice
 8. Letter of acceptance.Lien on Financial Instrument like FDR etc.
 - The Instrument duly discharged on the back of it.
 - Letter of Lien ('1st Party Lien' - if the Borrower is the owner of the Instrument, '3rd Party Lien'- if the Owner of the Instrument is one other than Borrower)
 - Letter of Authority to encash the instrument as and when needed by the Bank
 - Confirmation of Lien (Marking of Lien) from the issuing Bank.
 - Lien on Demated Stock/Shares
 - NOC of the Company in case of Sponsor's Share
 - Confiscate Request Form (Form19-1) duly signed by the pledgor.
 - Pledge Request form (By Law 11.9.3) duly signed by the holder of the share.
 - Pledge setup Acknowledgement from Brokerage House
 - CDBL generated copy of Pledge Setup■ Chain of documents (if available).
 - Original title deeds and via deeds.
 - CS/SA/RS/BS/City Jorip Khatiyani.
 - Mutation Khatiyani.
 - Up to date rent receipt.
 - Non-encumbrance certificate.
 - Power of Attorney.
 - Legal opinion.
 - Valuation certificate
 - Location map and mouza map.
 - No-objection certificate from any development authority (If any).
 - Letter of depositing title deeds (CF. 10 or 10 A).
 - Letter of guarantee. (CF. 06).
 - Affidavit of the borrower1. D.P note. (C.F-1). incase of joint account/ joint stock company (C.F-2)
 2. Letter of continuity.(C.F-11)
 3. Letter of Hypothecation.(C.F-8)
 4. Letter of authority.
 5. Letter of arrangement.
 6. Letter of disbursement.
 7. Letter of guarantee. (C.F-6)
 8. Letter of disclaimer in case of rented godown.
 9. Insurance of the goods as per approval letter.
 10. Deed of mortgage and related document.
 11. Others.1. D.P note. (C.F-1. incase of company C.F-2)
 2. Letter of continuity.(C.F-11)
 3. Letter of pledge .(C.F-4)
 4. Cash memo/receipt of locally purchased goods/identification of cash price in case of locally manufactured goods. Invoices incase of imported goods.
 5. Letter of authority for deductions of any expenses including interest.
 6. Letter of arrangement.
 7. Letter of disbursement.
 8. Letter of guarantee. (C.F-6)
 9. Letter of disclaimer in case of rented godown.
 10. Insurance of the goods as per approval letter.
 11. Others.34
- Essential Features of SET OFF
1. Mutual debts must be certain.

2. Debts must be due .
3. Debts in the same right.
4. No agreement to the contrary.
5. Notice of set-off.

Right of set off without Notice

1. On the death, insanity, bankruptcy of the customer
2. On the insolvency of a partner of a firm.
3. On the winding up of a company.
4. On receipt of a garnishee order.
5. On receipt of an information of a second mortgage over the security which is charged to bank.
6. On receipt of a notice of assignments of the credit balance of the customer. ■ Assignment of Bill by the beneficiary through IGPA

■ Letter of Acceptance of Assignment by the work giving authority

■ Original Work Order

■ Other relevant documents as per sanction advice.

. Letter of continuity [CF])

. Letter of Guarantee (cm)

. Letter of Hypemeeenon (CF)

. Letter of deposits of title

. Other charge documents

Tile deed and via deeds

. Mortgage deed

. Power of Attorney

. Affidavit

. Agreement

. Rent receipt

. NEC from sub register

. Others documents

. Sanction letter

. Letter of acceptance

. Letter of authority

. Balance conformation

. Le■el of disclaimer

. Letter of arrangement and

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