

DEED OF SIMPLE MORTGAGE

THIS DEED OF SIMPLE MORTGAGE is made at _____ this _____ day of _____ 200__

between

(1) _____, son/daughter of _____ aged about _____ years resident at _____ (hereinafter referred to as the 'Mortgagor which expression shall unless repugnant to the context or meaning thereof, be deemed to mean and include his/her legal heirs, executors and administrators) of the one part.

OR (applicable in case of a couple)

_____, son/daughter of _____ aged about _____ years and his/her spouse _____, son/daughter of _____ aged about _____ years both residing at _____ (hereinafter referred to as the 'Mortgagors' which expression shall unless repugnant to the context or meaning thereof, be deemed to mean and include their legal heirs, executors and administrators) of the one part; and

(2) _____ [Housing Finance Company (HFC)], a company within the meaning of the Companies Act, 1956 (1 of 1956) and having its registered office at _____ (hereinafter referred to as the 'Mortgagee' which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors in interest and assigns) of the other part;

OR (in case of a Bank)

[x] a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered /head office at [x] and a branch office at _____ (hereinafter referred to as the 'Mortgagee' which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors in interest and assigns) of the other part;

WHEREAS:

(A) The Mortgagor is absolutely seized and possessed of or otherwise well and sufficiently entitled to the land and premises bearing municipal survey no. _____ lying being and situate at _____ within the city/village limits of [_____] registration sub-district [_____] and district [_____] (hereinafter referred to as the " Residential Property") more particularly described in the Schedule hereunder written;

- (B) By a loan agreement dated _____ (the "Loan Agreement") made between the Mortgagor as the borrower of one part and the Bank as the lender of the other part, the Mortgagee has agreed to lend and advance to the Mortgagor and the Mortgagor has agreed to borrow from the Mortgagee the amount of Rs. _____ (Rupees _____) (the "Loan") upon the terms and conditions set out therein against the security by way of mortgage of the said Residential Property
- (C) The Mortgagee has called upon the Mortgagor to create mortgage on the said Residential Property as and by way of security for repayment of the Loan and payment of interest as hereinafter provided.

NOW THIS DEED WITNESSETH that in pursuance of the said Loan Agreement and in consideration of the sum of Rs. _____ lent and advanced/ to be lent and advanced by the Mortgagee to the Mortgagor on the execution of these presents (the receipt whereof, the Mortgagor doth hereby admit) the Mortgagor hereby covenants with the Mortgagee that the said sum of Rs. _____ together with interest, costs, charges, expenses and all other amounts payable under the Loan Agreement (the "Mortgage Debt") shall become due and payable on the happening of any one of the following events (hereinafter referred to as the "Specified Event") whichever occurs first, that is to say:

- a) on the Mortgagor's death (or in case where the Borrowers are a married couple, on the death of the surviving spouse); or
- b) in the event of the Mortgagor selling the Residential Property ; or
- c) if the Mortgagor permanently moves out of the Residential Property;

Provided that:

- i) the amount of the Mortgage Debt shall not exceed the sale proceeds realized on sale of the Residential Property and in that event the claim for the Mortgage Debt shall not exceed the sale proceeds of the said Mortgaged Property;
- ii) in the event of any heir/legal representative/executor/administrator of the Mortgagor is willing to repay and discharges the Mortgage Debt within sixty days after the death of the mortgagor or his/her spouse, the Mortgagee shall not take any action for enforcement of the security on the Residential Property.
- iii) in the event the sale proceeds, on the sale of the Residential Property on enforcement of the security exceeds the Mortgage Debt, such excess amount shall be retained by the Mortgagee and the Mortgagee may make payment of the same to the legal heirs of the Mortgagor as may be decided by the Mortgagee in its absolute discretion after such legal heirs shall have satisfied the Mortgagee by such evidence as may be satisfactory to the

Mortgagee that he/they is/are the legal heir(s) and the only person entitled to inherit the estate of the deceased Mortgagor.

AND THIS DEED FURTHER WITNESSETH that in consideration aforesaid, the Mortgagor doth hereby transfer by way of mortgage the Residential Property together with all his rights, title and interest in the piece or parcel of land bearing municipal no. [_____] and lying bearing and situate at _____ within the city/village limits of [_____] registration sub-district [_____] and district [_____] (hereinafter referred to as the "Mortgaged Premises") and described in the Schedule hereunder written as a security for repayment and payment of the said Mortgage Debt with a condition that on the Mortgagor or his heirs, executors, administrator, assigns repaying/paying the Mortgage Debt due to the Mortgagee in accordance with the provisions contained in the Loan Agreement and thereupon, the Mortgagee will release the Mortgaged Premises from the mortgage security and shall if so required by the Mortgagor execute a Deed of Release at the cost of the Mortgagor.

AND IT IS HEREBY AGREED AND DECLARED that in the event the Mortgage Debt is not paid on occurrence of any of the Specified Events, the Mortgagee shall be entitled to have the said Mortgaged Premises sold through any competent Court and to realize and receive the said Mortgage Debt out of the net sale proceeds of the said Mortgaged Property.

Nothing stated hereinabove shall prejudice or adversely affect the right of the Mortgagee to enforce the security of mortgage of the Residential Property created hereunder by resorting to the proceedings, remedies and enforcement of its rights available to it under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 and The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, each for the time being in force.

AND IT IS FURTHER AGREED AND DECLARED by the Mortgagor that he shall also be liable to pay and shall pay all the costs, charges and expenses that the Mortgagee will incur for the protection of the mortgage security and/or for the realization of the Mortgage Debt and the same shall be deemed to form part of the Mortgage Debt and the security thereof as aforesaid.

AND IT IS FURTHER AGREED that during the pendency of the security hereby created and until repayment and payment of the Mortgage Debt, the Mortgagor will get insured and keep insured the Mortgaged Premises from or against loss and damages due to fire or any other accident in the sum of at least Rs. _____ with some Insurance Company of repute (and which has been approved by the Mortgagee) and pay all premia on the insurance policy as and when the same become due and shall be payable in respect thereof to such company and shall hand over the policy/ies to the Mortgagee duly endorsed in its name as assignee And in the event of the Mortgagor failing to do so or to pay the premium, the Mortgagee will be entitled to insure the Mortgaged Premises

and/or to pay the premium thereon and the amount paid by the Mortgagee in respect thereof will be deemed to form part of the Mortgage Debt.

AND IT IS FURTHER AGREED that in the event of the Mortgaged Premises being destroyed by fire or any accident as aforesaid, the Mortgagee will be entitled to receive the insurance claim under such policy to the exclusion of the Mortgagor and to appropriate the same first towards all arrears of interest and then the principal amount or any part thereof as may be sufficient to pay the Mortgage Debt due and if any surplus remains the same only will become payable to Mortgagor.

IN WITNESS WHEREOF the parties have put their hands the day and year first hereunder written.

THE SCHEDULE - I REFERRED TO ABOVE
(Description of the Residential Property)

Signed and delivered by,, the Mortgagor,

Signed and delivered by,, the Mortgagee,

in the presence of WITNESSES:

- 1.
- 2.