

**SANCTION LETTER**

To,  
[NAME AND ADDRESS OF BORROWERS]

**Sub: Sanction of Housing Loan of Rs. [ ]/- (Rupees [ ] only)**

Dear Sir/Madam,

1. Please refer to application for Housing Loan made by you dated \_\_\_/\_\_\_/\_\_\_\_\_ made by you:
  - a) [INSERT NAMES OF ALL BORROWER/S]
  - b) [INSERT NAMES OF ALL BORROWER/S]mentioned as the Borrower/s under the Application Form ("**Borrower/s**").
2. We are pleased to inform you that Shinhan Bank ("**Shinhan Bank**" or "**Bank**") has, at your request, sanctioned housing loan facility ("**Facility**"), for an amount of Rs. [•] (Rupees [•] only) in respect of the property located at [•] (admeasuring [•]) ("**Property**").
3. The Facility shall be made available to you, through [•] branch of Shinhan Bank. You agree that the Facility shall be secured by the Property and other assets as specified in this Sanction Letter, and the Facility shall be subject to terms of the loan documents executed by and between you and Shinhan Bank, including the General Terms and Conditions annexed hereto and the Loan Agreement (collectively, "**Loan Terms**").  
**[Note: Bank to clarify if GTC will be handed at the time of sanction letter or with facility agreement. All these can happen simultaneously as well]**
4. Please convey your acceptance of the above (including the Loan Terms) by returning a duplicate copy of this Sanction Letter duly signed in token of your acceptance within 7 days from the date of receipt of this Sanction Letter.
5. Please note that issuance of this Sanction Letter and your acceptance thereof does not bind Shinhan Bank to process and disburse the Facility, which shall be subject to the execution of the loan documents and compliance of the terms specified therein.

**Yours sincerely,  
For Shinhan Bank**

**Authorised Signatory**

**Acceptance**

I/We, [INSERT NAMES OF ALL BORROWER/S], hereby acknowledge, approve and accept the terms and conditions specified in this Sanction Letter, as well as the Loan Terms and irrevocably agree to be bound by the same and further declare that I/We are duly authorised to avail of the Facility.

\_\_\_\_\_ [BORROWER] \_\_\_\_\_ [BORROWER]

\_\_\_\_\_ [GUARANTOR]

Date: \_\_ / \_\_ / 20\_\_  
Place:

**Annexure I**

**SANCTION LETTER - KEY TERMS OF THE FACILITY**

1.	Validity period of Sanction Letter	[•] days from the date of issue i.e. upto [•]
2.	Name of Borrower(s)	
3.	Facility	Housing loan
4.	Facility Amount	Rs. [•]/- (Rupees [•] only)
5.	Purpose	
6.	Availability Period (for Disbursement of Facility)	
7.	Processing fee (non-refundable)	[•]% of the Facility Amount + applicable GST, deductible from the Facility at the time of disbursement.
8.	Tenure	[•] months from the date of disbursement.
9.	Equated Monthly Installment (EMI)	In figure: INR [•] In words: Indian Rupees [•]  The EMI specified above shall be subject to revisions based on changes to the applicable Interest Rate (as applicable).  The Borrower/s shall provide [•] post-dated EMI cheques/ Electronic Clearance Service (ECS) mandate/ Standing Instruction (SI) mandate towards the EMI. <b>[INTERNAL NOTE FOR BANK: Please retain as applicable]</b>
10.	EMI Due Date	EMI Due Date: [•] day of every month.  The last EMI shall be payable on the last date of the Tenor.
11.	Rate of Interest (% p.a.)	<b>[INTERNAL NOTE FOR BANK: Please retain as applicable]</b>  Please note that the Interest Rates mentioned below are indicative in nature and subject to change at the time of Disbursement, as per prevailing interest rate guidelines and other factors, as may be determined by the Bank at its sole discretion.  <u>FIXED INTEREST RATE FOR ENTIRE TENURE OF LOAN:</u> a) The Borrower(s) shall pay Interest on the Principal amount of the Facility (as outstanding from time to time) at the rate of [•]% per annum.  b) The Interest shall be payable on a [monthly] basis, together with the instalment towards repayment of the Principal amount. The EMI specified herein comprises of the Interest and the Principal instalment components.  <u>FLOATING INTEREST RATE FOR ENTIRE TENURE OF LOAN:</u> a) The Borrower(s) shall pay Interest on the Principal amount of the Loan (as outstanding from time to time) at the rate arrived at as per the following formula:  Interest Rate = Repo Rate + Spread  b) The Interest shall be payable on a [monthly] basis, together with the instalment towards repayment of the Principal amount. The EMI specified herein comprises of the Interest and the Principal instalment components.

		<p>c) It is agreed that the EMI shall stand revised on the basis of any changes to the Interest Rate.</p> <p><b><u>FLOATING INTEREST RATE FOR INITIAL PERIOD OF LOAN &amp; FIXED INTEREST RATE FOR BALANCE TENURE:</u></b></p> <p>a) For the Initial Period, the Borrower(s) shall pay Interest on the Principal amount of the Loan (as outstanding from time to time) at the rate arrived at as per the following formula:</p> <p>Interest Rate = Repo Rate + Spread</p> <p>“<b>Initial Period</b>” shall mean the period ending on the [•] month from the Disbursement date of the Loan.</p> <p>b) For the Balance Period, the Borrower(s) shall pay Interest on the Principal amount of the Loan (as outstanding from time to time) at the rate of [•]% per annum;</p> <p>“<b>Balance Period</b>” shall mean the period commencing from the end of the Initial Period till the end of the Tenor of the Loan.</p> <p>c) The Interest shall be payable on a [monthly] basis, together with the instalment towards repayment of the Principal amount. The EMI specified herein comprises of the Interest and the Principal instalment components.</p> <p>d) It is agreed that the EMI shall stand revised on the basis of any changes to the Interest Rate.</p> <p><b><u>Note:</u></b></p> <ol style="list-style-type: none"> <li>1) Rate of interest mentioned herein is indicative in nature and is subject to change at the time of disbursement/ withdrawal as per prevailing interest rate guidelines and other factors.</li> <li>2) Any change in interest rate due to reset or otherwise, will result in adjustments being made to the EMI amount / Interest amount and/or Facility tenure at the sole discretion of the Bank.</li> </ol>
12.	<p>Reset Date &amp; Reset Frequency</p> <p><b><u>[INTERNAL NOTE FOR BANK: Please retain if floating rate applicable]</u></b></p>	<p>For the purpose of this Loan, the “<b>Reset Frequency</b>” shall be every [•] months from the Disbursement date or such other period as may be determined by the Bank, as per its internal policies.</p> <p>On the Reset Date, the floating Interest Rate shall stand modified on account of changes to the Repo Rate and/or the Spread. Accordingly, the EMI shall be recomputed and such revised EMI shall be payable starting from the immediately succeeding Due Date.</p>
13.	<p>Repo Rate</p> <p><b><u>[INTERNAL NOTE FOR BANK: Please retain if floating rate applicable]</u></b></p>	<p>As on the date, the Repo Rate is: [•]%</p> <p>Please note that the Repo Rate is subject to change/ reset from time to time. In this regard, please refer to the notifications/ circulars/ intimations issued by the RBI from time to time, including on <a href="http://www.rbi.org.in">www.rbi.org.in</a>. Upon such reset, the revised Repo Rate shall be considered (on the immediately succeeding Reset Date) for the purpose of determining the Interest Rate.</p>
14.	<p>Spread</p>	<p>As on Execution Date, the Spread is: [•]%. </p>

	<p><b>[INTERNAL NOTE FOR BANK: Please retain if floating rate applicable]</b></p>	<p>The rate of interest for each drawal of the Facility will be stipulated by the Bank at the time of disbursement of each drawal, which shall be sum of the Repo Rate*+ "Spread" per annum, plus applicable statutory levy, if any ("Interest Rate").The applicable Repo Rate shall be the rate prevailing one Business Day Preceding the date of each drawal. As on date the Repo Rate is 4% and Spread is 0.10% . **Repo Rate" or "Policy Repo Rate" means the rate of interest published by the Reserve Bank of India ("RBI") on the RBI website from time to time as Repo Rate or Policy Repo Rate. The Repo Rate component of the Interest Rate shall be reset after every three months from the date of execution following the date of each drawal, plus applicable statutory levy, if any. The Bank shall have the right to modify the reset frequency and reset date from time to time in accordance with the extant RBI Guidelines. The Borrower further acknowledges that Interest Rate may change, upward or downwards, as the case may be, in line with change in the Repo Rate. The Bank reserves the right to reset the Spread at any time upon substantial change in the Borrower's credit assessment and/ or on account of deterioration in the credit risk profile. Any change in 'Spread' would be communicated by the Bank through either: (i) Letter (ii) E-Mail (iii) SMS (iv)Statements of Accounts (v) WhatsApp or any other suitable mode. The Borrower shall be deemed to have notice of changes in the Repo Rate when displayed on the notice board of the Branch or displayed on Bank's website (<a href="https://in.shinhanglobal.com">https://in.shinhanglobal.com</a>) and the Borrower is liable to pay such revised rate of interest.</p>
15.	Overdue Charges	<p>Upon any delay in payment of an EMI (or part thereof) and/or any other outstanding amounts under the Facility, the Bank may, at its discretion, charge additional interest over and above the applicable Interest Rate as Overdue Charges (at the prevailing rate of Overdue Charges, as may be determined by the Bank from time to time):</p> <ul style="list-style-type: none"> <li>(a) For first 1(One) month from the date of default, on the EMI amount (or part thereof) and/or the relevant outstanding amount in respect of which such delay has been caused; and</li> <li>(b) On and from 1 (One) month onwards from the date of default, the penal interest will be applied on the entire Amounts Due of the loan, till the payment thereof.</li> </ul> <p>Please note that the Overdue Charges are subject to change from time to time as per the internal policies of the Bank.</p> <p>In order to regularize overdue account/ defaulted outstanding amounts, the Borrower(s) shall have to repay the defaulted/ overdue amounts plus the Overdue Charges.</p>
16.	<p>Security</p> <p><b>[INTERNAL NOTE FOR BANK: Please retain/ add as applicable]</b></p>	<p>The Facility, together with Interest, charges, costs, default interest, Overdue Charges, further interest, expenses and other obligations of the Borrower(s) under this Sanction Letter, loan documents and other financing documents will be secured by the following:</p> <ol style="list-style-type: none"> <li>1. A first and exclusive mortgage (in the form and manner acceptable to the Bank) over the Property. The Bank shall have the right to decide, in its sole discretion, the form, manner, type and the timing of creation of mortgage or any other security.</li> <li>2. Guarantee by a guarantor (either corporate or personal), wherever applicable.</li> <li>3. Demand promissory note(s).</li> <li>4. Post Dated Cheque/s (PDC)s</li> <li>5. Any additional security (in the form and manner acceptable to the Bank) as required by the Bank.</li> </ol>

17.	Description of Property	Nature of Property: Carpet Area: Address:
18.	List of charges	<p>1. Prepayment charges:</p> <p>(i) The prepayment of the Facility shall be subject to the consent of the Bank and its internal policies.</p> <p>(ii) In case of prepayment of Facility, the Borrower(s) shall give a written notice of at least thirty (30) days expressing the intention to prepay the Facility.</p> <p>(iii) The Borrower(s) shall be liable to pay prepayment charges as may be specified by the Bank at the time of making any Prepayment. The prepayment charges as updated on the website of Shinhan Bank from time to time for information to public at large, can be revised at any time at the sole discretion of the Bank in accordance with the applicable Law and the Borrower(s) shall be bound to pay the same. <b>[Note: bank to confirm if prepayment charges will be updated on website or specified here]</b></p> <p>2. <b>[INTERNAL NOTE FOR BANK: Please mention all applicable charges]</b></p>
19.	Documentation	<p>1. Sanction letter</p> <p>2. Loan Agreement</p> <p>3. General Terms and Conditions for Housing Loans and Loan Against Properties (GTC)</p> <p>4. Demand Promissory Note (DPN)</p> <p>5. DPN Covering Letter</p> <p>6. DP Note Cum Waiver Letter</p> <p>7. Letter of Continuity</p> <p>8. Memorandum of Entry (MOE)</p> <p>9. Declaration cum Confirmation letter</p> <p>10. PDC / UDC Covering letter</p> <p>11. Letter for Standing Instructions</p> <p>12. Disbursement request letter</p> <p>13. Others, if any</p> <p><b>[INTERNAL NOTE FOR BANK: Please mention all relevant documents]</b></p>
20.	Insurance	The Borrower/s shall ensure that the Property is insured for the amount which is not less than [●]% of the Assessed Value (where Assessed Value is the value of the Property as declared by the Borrower at the time of making the Loan Application). The insurance shall be duly endorsed in favor of Shinhan Bank and is to be submitted within 30 days of the disbursement of the Facility. The insurance amount shall be a minimum of Rs. [ ]/-.
21.	Legal and Valuations charges	The Borrower/s shall reimburse to the Bank actual charges incurred by the Bank, including any taxes paid, in connection with legal inspection and valuation of the Property. The charges shall either be paid by the Borrower at the time of disbursement of the Facility or can be deducted from the Facility disbursed by the Bank, at its sole discretion.
22.	Expenses	The Borrower/s shall reimburse the Bank for all charges and expenses incurred in connection with the preparation, execution and amendment of any documents related to the Facility, including but not limited to legal costs, travel, and out-of-pocket expenses, and irrespective of the Facility being sanctioned or not.
23.	Pre-disbursement Conditions	The Bank shall disburse the Facility only after satisfaction of the following conditions: <p>1. Borrower accepting the Sanction Letter and executing the facility agreement and other loan documents as per the standard format and to the satisfaction of the Bank.</p> <p>2. Disbursement is subject to satisfactory credit verification.</p>

		<ol style="list-style-type: none"> <li>3. Disbursement is subject to legal and technical clearance/verification of the Property.</li> <li>4. The Property shall be free from all encumbrances. The title search of the property by Shinhan Bank's empanelled lawyer and valuation report shall be furnished before disbursement.</li> <li>5. Borrower to ensure that original documents including the original title deeds pertaining to the Property be handed over to Shinhan Bank before disbursement.</li> <li>6. <b>[INTERNAL NOTE FOR BANK: Please mention all relevant pre-conditions]</b></li> </ol>
24.	Method of disbursement	The Facility shall be disbursed by issuing a Banker's Payment Order or a Demand Draft crossed as "A/c Payee only" in favour of [ _____ ] or by any other acceptance mode at the sole discretion of the Bank. <b>[INTERNAL NOTE FOR BANK: Please specify modes of disbursement]</b>
25.	Post Disbursement Conditions / Documents	As may be specified by the Bank and/or stipulated in the Loan Documents.
26.	Special Condition	<b>[INTERNAL NOTE FOR BANK: To be inserted at the discretion of the Bank, as applicable]</b>
27.	Other Terms and Conditions	<ol style="list-style-type: none"> <li>1. The Borrower/s shall be the owner of the Property. Further, all owners of the Property shall be Borrower/s to the Facility.</li> <li>2. All documents shall be self-attested by the Borrower/s.</li> <li>3. Borrowers to regularly make payment of all statutory and government dues in respect of the Property offered as security.</li> <li>4. The Borrowers shall not sell/alienate/encumber or lease the Property or any portion without obtaining the prior written consent of the Bank.</li> <li>5. The Borrowers should not be in the defaulter's list published by RBI or any other agency.</li> <li>6. The Bank reserves the right to recall the Facility at its absolute discretion.</li> <li>7. The Bank reserves the right to review the Loan Terms as it may deem necessary in its sole opinion in the event of any material adverse change in the market conditions and in the financial position.</li> <li>8. The Borrower/s hereby consent to the Bank disclosing information and data relating to the Borrowers/, Facility or any credit facility availed of or to be availed of by the Borrower/s, obligations assumed or to be assumed by the Borrower/s in relation thereto and default, if any, committed by the Borrower/s in discharge thereof, to any third party including but not limited to credit reference agencies, RBI, relevant taxation authorities, credit bureau, credit rating agencies, databanks, other banks, financial institutions or any other government or regulatory authorities, statutory authorities, quasi-judicial authorities.</li> <li>9. Interest shall accrue from day to day and shall be calculated on the basis of a year of 365 days. The interest will be serviced by the customer on _____ of every month for the interest on the Facility for the previous/completed month.</li> <li>10. All communication shall be addressed by the Borrower/s and the Bank in writing at the respective addresses mentioned in the Sanction Letter, unless change, if any, is duly communicated in writing. Such communication could be sent by hand delivery (duly acknowledged on receipt) or by registered post.</li> <li>11. Borrowers undertake to submit statements of end-use of the Facility as and when required by the Bank.</li> <li>12. Facility shall be governed by the terms specified in the facility agreement, the General Terms and Conditions and the other Loan Documents.</li> </ol>
28.	Event of Default	On occurrence of any event of default as mentioned in the General Terms and Conditions and/or the facility agreement (" <b>Event of Default</b> "), all outstanding amounts owned by the Borrower(s) to the Bank shall become payable forthwith and the Bank reserves the right to undertake such necessary processes/measures to enforce its

		rights under the Loan Documents including but not limited to charging Overdue Charges for the delayed payment, recovery of over dues by enforcing the Security in accordance with the remedy available under the applicable law. The actual procedure shall be determined by the Bank depending upon the circumstances of each case.
29.	Customer service and grievance redressal	<p>For any Facility-related issue, customers can get in touch with the Bank by:</p> <p>(i) Visiting a Bank branch;</p> <p>(ii) Placing a request online by logging onto our official website: <a href="https://in.shinhanglobal.com">https://in.shinhanglobal.com</a> under contact us.</p> <p>If there are instances where the customer is not satisfied with the services provided by the Bank, to highlight such instances and/or register a complaint, the customer may refer to the grievance redressal policy displayed on our official website.</p>
30.	Governing Law & Dispute Resolution	<p>All matters relating to and/or arising in connection with the Facility and the Loan Documents, including validity, construction, performance and enforcement of the terms and conditions thereof, shall be governed by the laws of the Republic of India.</p> <p>All disputes relating to and/or arising in connection with the Facility and the Loan Documents, including validity, construction, performance and enforcement of the terms and conditions thereof, shall be subject to the jurisdiction of the courts of law as specified in the General Terms and Conditions, and resolved in the manner as specified in the said General Terms and Conditions.</p>
31.	Capitalised Terms	Capitalised terms used but not defined herein shall have the meaning ascribed to such terms in the General Terms and Conditions, as annexed hereto.

\_\_\_\_\_  
Signature and stamp of Branch official

Date: \_\_\_\_\_

Place: \_\_\_\_\_