

# UNITED BANK OF INDIA

Head Office: Kolkata

## LOAN AGREEMENT FORMAT FOR UNITED SMART LOAN SCHEME

Articles of Agreement made this the \_\_\_\_\_ day of \_\_\_\_\_ 2005 between Mr./Mrs. \_\_\_\_\_ residing at \_\_\_\_\_ hereinafter referred to as the "BORROWER(S)" ( which expression shall include his/her heirs, executors, administrators, legal representatives and assigns) of the ONE PART And United Bank of India, a Body Corporate, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 having its Head Office at 11, Hemanta Basu Sarani, Kolkata – 700 001 and carrying on business, inter alia, at \_\_\_\_\_, hereinafter referred to as the "BANK" (which expression shall include its successors in business and assigns) of the OTHER PART.

WHEREAS the Borrower(s) applied for and obtained loan from the Bank under its United Housing Loan Scheme of Rs. \_\_\_\_\_ on the terms and conditions and against the security mentioned in the said Agreement under the United Housing Loan Scheme.

AND WHEREAS the Borrower(s) has/have availed of the said loan and purchased a Flat / constructed a house with the said loan of Rs. \_\_\_\_\_ in terms of the United Housing Loan Scheme and in terms thereof made certain stipulated instalment payments aggregating Rs. \_\_\_\_\_ and as such, the principal loan amount of Rs. \_\_\_\_\_ stands reduced by the said payment during the last \_\_\_\_\_ months period.

AND WHEREAS the Borrower(s) has/have applied after 3 years of granting the said loan for a further loan of Rs. \_\_\_\_\_ under the United Smart Loan Scheme for interior decoration of the said premises and / or for purchase of furniture, fixtures or for other purposes.

AND WHEREAS the Bank has agreed to advance to the Borrower(s) a sum of Rs. \_\_\_\_\_ under the United Smart Loan Scheme upon the terms and the conditions contained in the sanction letter, and, inter alia, in these Presents.

NOW IN CONSIDERATION OF THE GRANT OF THE ABOVE ADVANCE OF Rs. \_\_\_\_\_ under the United Smart Loan Scheme in addition to the existing loan of Rs. \_\_\_\_\_ it is agreed as follows :-

1. The Bank has agreed to the Borrower's request for further loan of Rs. \_\_\_\_\_ for the general miscellaneous purposes.
2. The Borrower(s) hereby agrees/agree that the said advance of Rs. \_\_\_\_\_ shall be covered by the terms and conditions contained herein as well as those embodied in the security documents, application for the said loan, the Bank's Sanction letter and the Rules of the Bank regarding such loans.
3. The disbursement of the said loan of Rs. \_\_\_\_\_ shall be at the absolute discretion of the Bank.
4. The Borrower(s) expressly agrees/agree and undertakes/undertake that the said loan of Rs. \_\_\_\_\_ would be utilised exclusively for the purposes set forth in the Borrower's Request for loan and as per the terms of the sanction of the Bank.

5. The Borrower(s) shall furnish to the Bank satisfactory proof of the proper utilisation of the amount of such loan.
6. The Borrower(s) shall repay the said amount of Rs.\_\_\_\_\_ with interest as per the terms of the sanction letter in agreed rate of monthly instalments of Rs.\_\_\_\_\_ with interest at \_\_\_\_\_ per annum with monthly rest and final date of repayment should coincide with the date of repayment of the Housing Loan.
7. The Borrower(s) has/have created mortgage of the flat / house purchased or constructed by him/her obtaining the loan from the Bank under the United Housing Loan Scheme and hereby extends/extend the said equitable mortgage of the said flat purchased with the said loan in favour of the Bank for repayment of the outstanding amount at any time in the Loan Account under the United Smart Loan Scheme and the Borrower(s) has/have written a letter dated \_\_\_\_\_ extending the said Mortgage of his/her property to cover the said Loan of Rs.\_\_\_\_\_ plus interest in addition to the repayment of loan and interest payable by the borrower(s) to the Bank of the outstanding loan amount under the United Housing Loan Scheme.
8. Interest on the said amount of loan of Rs.\_\_\_\_\_ will be applied at \_\_\_\_\_ % per annum with monthly rests, calculated on the outstanding debit balance on daily product basis and debited in the Account under the United Smart Loan Scheme Account every month. Provided the Bank shall at any time and from time to time be entitled to charge the rate of interest depending upon the change of Prime Lending Rate and such revised rate of interest shall be construed as agreed to be paid by the Borrower(s). The Borrower(s) shall be deemed to have noticed the change of interest rate whenever the change is displayed/notified at / by the Branch / published in the Newspaper/made through entry of interest charged in the Statement of Account sent to the Borrower(s).
9. The Bank shall be at liberty to charge at its own discretion the penal rate of interest on the outstanding loan amount for any default or irregularity on the part of the Borrower(s) which in the opinion of the Bank warrants charging of such penal rate of interest for such period as the Bank may deem fit.
10. The Bank shall have the liberty through its authorised representative to inspect the mortgaged property of the Borrower(s) purchased or constructed or acquired from the loan obtained from Bank and utilisation made of the loan taken under the United Smart Loan Scheme.
11. The Borrower(s) hereby undertake(s) to pay regularly the charges payable to the Municipality and / or cesses, if any, levied on the mortgaged property.
12. The Borrower(s) shall insure the said property in the Joint Names of the Borrower(s) and the Bank in respect of the said immovable property and deliver the policies and relevant papers to Bank. In default of the Borrower(s) the Bank will be at liberty but not obliged to take out the Policy in respect of property of the Borrower(s) and debit the costs, charges and expenses in relation to the said Policy to the account of the Borrower(s) with the Bank. The Borrower(s) hereby agree(s) and declare(s) that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the Insurance Company and the Insured arising from or under or in connection with said Insurance Policy and make adjustments, settlements,

compromise of any Award made on such reference of the disputes to arbitration and this will be binding on the Borrower. The Borrower(s) further agrees to the Bank having a right to receive all moneys payable under the said Insurance Policy relating to any claim made thereunder and to give a valid receipt therefor and the amount so received by the Bank shall be conclusive and be credited to the Loan Account of the Borrower(s) and the Borrower(s) shall not be entitled to raise any question with regard to the quantum of the amount which has been so received from Insurance Company and credited to the Loan Account of Borrower(s). The Borrower(s) will not dispute his/her/their liabilities for the balance amount remaining due on the Borrower's said Loan Account after such credit of amount received from the Insurance Company.

13. Notwithstanding anything contained herein or in the other documents executed by the Borrower(s) the whole advance and / or entire outstanding balance shall become forthwith due and payable by Borrower(s) to the Bank and the Bank will be entitled to enforce its security upon the happening of any of the following events, namely,
- ( a ) The Borrower(s) ceasing to be in service by way of retirement, resigning or being discharged from service or otherwise or upon the demise of Borrower ;
  - ( b ) The occurrence of any circumstance which, in opinion of the Bank is prejudicial to or impairs, imperils or depreciates or is likely to depreciate the security given to Bank ;
  - ( c ) The occurrence of any event which in the opinion of Bank will adversely affect the capacity of Borrower(s) to repay the loan ;
  - ( d ) The occurrence of any default on the part of the borrower(s) in paying monthly instalments as per Agreement.

The decision of Bank with regard to the happening of any of the aforesaid events will be conclusive and binding on the Borrower(s).

14. The Borrower(s) hereby agree(s) that in case of death or cessation of service or otherwise the Bank may at its discretion continue with the loan provided sufficient collateral securities are furnished by the legal heirs of Borrower(s) in case of Joint Loans or some satisfactory arrangement of repayment of the said loan acceptable to the Bank is made in this regard.
15. The Borrower(s) further undertake(s) that in the event of cessation of his/her service whether by retirement, resignation, death, dismissal or by operation of law or for any other reason whatsoever, the Bank will be at liberty and at its discretion to write to the Borrower's employer to appropriate and / or set-off any amount which may then be payable by the Borrower's employer to Borrower(s) by way of terminal benefits, ex-gratia and any other such payments, whatsoever, that may become outstanding to the credit of Borrower(s) towards repayment of the balance that may be then outstanding and payable by the Borrower(s) to the Bank in respect of his/her loan account with applicable rate of interest upto the date of repayment. Such appropriation or set-off shall be conclusive and binding on the borrower(s) and his/her successors. The Borrower(s) further agree(s) that till the entire dues of Bank are adjusted by way of recovery from the Borrower's employer or otherwise, the borrower's liability to make

repayment of the entire dues with applicable interest upto the date of repayment in respect of the Borrower's loan account under United Smart Loan Scheme shall remain valid.

16. The undertakings, authorisation and covenants herein contained shall be irrevocable so long as the Borrower(s) continue(s) to be liable to Bank in respect of Borrower's Loan Accounts.
17. The Borrower(s) further agree(s) that in case of any default in payment of the loan or interest or any instalment of the loan on the due date the Bank and the Reserve Bank of India will have the unqualified rights to disclose and / or to publish the Borrower's name as defaulter in such manner and through such medium as the Bank / Reserve Bank of India may decide at their absolute discretion.
18. The Borrower(s) shall furnish to the Bank all such information as would be reasonably required by Bank for its satisfaction for compliance with terms and conditions of advance and all such periodical reports and informations at such time in such forms and containing such particulars as Bank may call for the purpose of ascertaining the results of utilisation of the said loan under The Smart Loan Scheme.
19. The Borrower(s) further declare(s) that the Borrower(s) has/have understood all the terms and conditions relating to the sanction of the Loan under United Smart Loan Scheme and agree(s) to abide by the same and also by the rules, regulations and guidelines which may be issued in future from time to time and in the event of failure by Borrower(s) to do so, the Bank will have the right to demand the outstanding amount in the said account under the United Smart Loan Scheme with interest and costs.
20. The Borrower(s) irrevocably and unconditionally agree(s) and undertake(s) to bind the borrower his/her Executor, Administrator and Assigns for repayment of the outstanding dues in the said United Smart Loan Scheme Account.

IN WITNESS WHEREOF the Borrower(s) has/have set his/her/their Hands and executed these presents on the \_\_\_\_\_ day of \_\_\_\_\_ 200

Signature of Borrower(s) : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

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