

MAY 31, 2021

NOTE ON TOP UP LOANS FOR EXISTING BORROWERS



STAR HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS AKME STAR HOUSING FINANCE LIMITED)

Top up loans for existing borrowers

Introduction: A top up loan means additional loan amount that one can (existing customer) avail on existing home loan. This is actually meant for Star HFL existing customers to support in this pandemic.

Product – Top up

Purpose of the loan - Urgent fund to meet personal requirement, immediate fund for business improvement / Marriage, to clear loan EMI overdue of some other loans.

Loan Amount – Top up between Rs. 50,000 to Rs. 2,00,000

Sanction for Individual loan files – Regional heads on recommendations of unit heads

Sanctions – As per credit norms

Risk Mitigates –

- Tested customers as regular in repayments.
- LTV restricted to 70-80 % of the property cost including existing loan outstanding amount.
- Pricing based on income category.
- Loans to be funded based on the repayment history for the last 9 months.
- Existing income will be reassessed and if any new family member started earning, income can be considered.
- Borrowers who have availed moratorium will be excluded.

Product Policy –

| Parameters | Policy |
|-----------------------------------|---|
| Target Segment and profile | <ul style="list-style-type: none"> • EXISTING BORROWERS |
| Loan purpose | <ul style="list-style-type: none"> • Top up loans for Personal Usage / Marriage Etc/Income affected due to Covid, end use to be justified. |
| Credit norms for loan eligibility | As per existing policy except LTV of 70-80 % on total market value. |
| LTV | <ul style="list-style-type: none"> • 70-80 % of the property cost. Existing loan outstanding amount to be considered |
| ROI | 1 % plus on ROI given for existing loan |
| Sourcing | By in house sales team only |

Top up loans for existing borrowers

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|---------------------------------------|---|---|
| Selection criteria | <ul style="list-style-type: none"> Existing borrowers with RTR of minimum 9 months Who has not availed moratorium EMIs paid timely preferably on 10th every month. Deviation to be approved by credit head. Borrowers whose Income is affected due to this Pandemic LTV- strictly between 70-80 % of total current market value. Technical report provided by vendor at the time of existing loan will be taken into consideration. If current value is more than the technical report we need to obtain fresh technical report from vendor. CIBIL – if borrower has availed additional loan after akme home loan- will not be considered for top up loans | |
| Minimum Loan amount | Rs. 50,000/- | |
| Maximum loan Amount | Rs. 2,00,000/- | |
| Initial fee and PF | LOAN AMOUNT UP TO Rs. 50000 to 200000 | <ul style="list-style-type: none"> Login Fee 1,000/- PF- 2% Legal and Technical by in-house credit team/unit head. |
| PF OF 2 % | Payable at the time of disbursement | Deviation can be given for deducting from disbursement amount |
| FOIR | As per existing norms | |
| Tenure | 36 – 60 months | |
| Credit, technical and Legal Documents | Credit- as per existing policy we need to collect all the kyc and credit related documents. Legal and technical- reports and documents not required Loan documentations required for top up loan. Mortgage continuity affidavit | |
| Disbursement | Disbursement should be in One Tranche | |
| Types of securities | Already created Mortgage will be continued. | |
| Loan documentations | As per existing loan documents kit | |
| Legal and technical approval | Not required as already done during existing loan disbursement | |