

PROCEDURE FOR RELEASE OF ORIGINAL TITLE DOCUMENTS OF MORTGAGED PROPERTY TO THE LEGAL HEIR(S) ON THE DEMISE OF THE INDIVIDUAL BORROWER/PROPERTY OWNER/MORTGAGER

Introduction

Pursuant to the Reserve Bank of India (RBI) Notification no. RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24, dated September 13, 2023, this document outlines the procedure for the release of original property documents to the legal heir(s) in the event of the demise of the Mortgagor(s), Co-Mortgagor(s), or Property Owner(s). It defines the standard process to be followed in such circumstances.

Process to Release of Movable/Immovable Property Documents on post closure of Loans

The original title documents of the collateral pledged for the loan facility secured against immovable property shall remain in the possession of **IFFCO Kisan Finance Limited (IKFL)** until the loan is fully settled. Upon the closure of the loan and/or any associated facilities, the property owner shall be entitled to collect the original title documents from the designated branch office of IKFL, within a period of 30 days from the date of loan closure.

In the unfortunate event of the demise of the Property Owner, the following standard procedure shall be meticulously followed for the release of the original title documents, ensuring a smooth and respectful transition of responsibility.

The process to be followed upon receipt of intimation of demise of either the borrower or Mortgagor/ Karta of HUF etc. is as follows

a) Where the Borrower is also the Mortgagor:

In the unfortunate event of the demise of the Borrower, who is also the Mortgagor, the Title Deeds may be entrusted to the Legal Heirs upon the closure of the Loan Account, in strict accordance with the procedure outlined below, ensuring a seamless and dignified transfer of responsibility.

b) Where the Borrower and Co-borrowers are all joint owners and Mortgagors:

In the sorrowful event of the demise of the Borrower or any of the Co-borrowers, the Title Deeds may be entrusted to the surviving Borrower or Co-borrower, as authorized and consented to by both the surviving Borrowers and Co-borrowers, as well as the Legal Heirs of the deceased, in full accordance with the procedure outlined below, ensuring a respectful and orderly transfer.

c) Where the Borrower, Co-borrowers and Mortgagors are different persons:

1. In the unfortunate event of the demise of the Borrower and/or Co-borrowers, the Title Deeds may be released to the Mortgagor, in accordance with the established procedures.

2. In the unfortunate event of the demise of the Mortgagor, the Title Deeds may be graciously entrusted to the Legal Heirs of the Mortgagor, in full accordance with the procedure outlined below, ensuring a respectful and seamless transfer of ownership.

d) Where the HUF is the Borrower and Mortgagor.

In the event of the demise of the Karta of the Hindu Undivided Family (HUF), the Title Deeds may be entrusted to the authorized Coparceners or the newly appointed Karta, upon the execution of a joint consent agreement from all Coparceners, ensuring a harmonious and orderly transition of authority and responsibility.

Documents to be obtained and the process to be followed for release of Title Deeds

In the unfortunate event of the demise of a party to the loan, upon the termination of the Loan Account, the Customer Care or Branch Operations Team, as applicable, shall extend their guidance and provide the necessary information to the Borrower, Co-borrower, surviving Mortgagors, or Legal Heirs. They will be instructed to submit a Notarized Application, accompanied by the supporting documents listed below, to ensure a smooth and respectful resolution of the matter. The Legal Heirs of the deceased Mortgagor / Owner shall submit the duly executed application in the format prescribed by the Bank along with the following documents, when a claim for the property documents is made:

- i. Death Certificate Issued by Competent Authority
- ii. Legal Heirship Certificate/ Succession / Probated Will, issued/provided by a competent authority, as per Succession Law to ascertain the identity of legal heirs
- iii. Photograph and Proof of identification of Heirs viz., copy of Voter ID Card, Aadhar Card, Passport, Driving License along with its originals.

In the case of non availability of Heirship Certificate/ Succession certificate / Probated will, the Legal Heirs shall have to follow below process:

- a) In the event of the death of one or more, but not all, of the joint owners or mortgagors of the property, the property documents shall be released jointly to the surviving owner(s) and the legal heir(s) of the deceased, or to any one of them as collectively authorized by all parties. This shall be done upon verification of the legal heirs' authority and the submission of proof of death of the deceased property owner(s), ensuring a smooth and respectful transfer of ownership.
- b) In the unfortunate event of the death of both or all joint owners of the property, the property documents shall be released jointly to the legal heirs of the deceased owners, or to any one of them as duly authorized by all the other legal heirs. This shall be carried out upon verification of the legal heirs' authority and the submission of proof of death of the deceased property owner(s), ensuring a seamless and dignified transfer of ownership.

The Legal Heirs shall submit the duly executed application along with the following documents, when a claim for the property documents is made by him/her:

- i. Death Certificate Issued by Competent Authority

- ii. Photograph and Proof of identification of Heirs viz., copy of Voter ID Card, Aadhar Card, Passport, Driving License along with its originals.
- iii. Indemnity Bond with surety is required iv. Letter of Authority of legal heir(s) wherever applicable.

Letter of Authority duly notarized /attested may be executed by the legal heirs in favour of one of the legal heirs authorizing him/her to lodge claim, execute documents, receive the property documents, etc.

Responsibility of Customer Care / Branch Operations Team:

1. Upon receipt of Joint Application by Customer Care / Branch Operations, they shall forward the Joint Application alongwith the supporting documents to the Central Operations Team for further processing.
2. Central Operations Team upon receipt of the Supporting Documents for release of the Title Deeds shall verify the total number of live loans which are active against the security of the properties of which Title Deeds are requested to be released.
3. Further Central Operations Team shall collect the documents as mentioned in Annexures 2 and 3 hereto.
4. Once satisfied, the Team shall meticulously gather all Original Documents and forward them to the concerned Branch, with explicit authorization granted to a designated individual at the Branch to hand over the documents to the duly authorized recipient, against acknowledgement, ensuring a secure and orderly transfer..

Process of Release of Title Deeds:

1. All the parties and Legal heirs has to be physically present at the respective Branch to collect the Original documents.
2. **If any of the Legal Heirs is a minor:** If the only Legal Heir is a minor then the Title Deeds should be released to the Court appointed legal guardian on submission of the Guardianship certificate along with the valid identification of the legal guardian.
3. **If any of the Legal Heirs cannot be physically present:** The Title Deeds can be handed over to the constituted Attorney of the Legal Heir(s) by virtue of a Power of Attorney ("POA") where any of the Legal Heirs is unable to visit the Branch Office for documents collection. The POA should be duly stamped and notarized as per applicable laws of state of execution in favour of the person who will be collecting property Documents.
4. If any POA is executed outside of India, the same is required to be attested by General Consulate of India/ High Commission of India/ Indian Embassy/ Apostilled and then sent to India. The same is required to be duly stamped as per the applicable laws of the state where it is first received.
5. Affidavit cum Indemnity Bond to be duly signed by all legal heirs of deceased Mortgagor stamped and notarized as per the applicable stamp duty laws of the respective State.
6. IKFL will file all charge satisfaction with relevant registry and also ensure to handover Original property paper within 30 days from the date of closure of loan. However, in case of non-fulfilment & non-adherence of compliance by borrower(s) specified in aforementioned paragraphs, title documents shall not be released and IKFL shall not be liable on the occurrence of any such delay caused due to non- submission of requisite documents or non -availability of the borrower(s) in person to collect the title document from IKFL branch office.

7. In case the loan was funded after the death of the property owner to surviving legal heir(s) then the Original Property Papers will be released in the presence of all the Mortgagor/Co-Mortgagor(s).

Release of Property documents:

Upon receipt of all the requisite documents in favor of IKFL, the Customer Care / Branch Operations Team will issue a Release Letter addressed to the person authorised by the Legal Heirs / Borrowers/Co Borrowers/POA holders as the case may be and handover the Title Deeds to such authorised person and take necessary acknowledgement of having handed over the Title Deeds.

To know more about us, please visit our website-www.iffcokisanfinance.com

In case of any loan related queries please feel free to reach us through any of the following channels:

1. Call -[1800 2035 972](tel:18002035972)
2. email - care@kisanfinance.com

Annexure 1

Application for Release of Title Deeds

Date:
To
IFFCO Kisan Finance Ltd.
_____ Branch

Dear Sir,

Sub: Release of Title Deeds in respect of property offered as a security in loan account number

1. One Loan facility vide Loan account No..... was availed by _____ against the security of the property situated at _____ (hereinafter be referred to as "the said property") owned and possessed by _____.

2. I/We,

- i) _____
- ii) _____
- iii) _____
- iv) _____
- v) _____

(Hereinafter referred to as "the Applicant(s)") wish to inform that Shri/Smt. _____ has/have expired on _____.

3. Since the above loan has been fully repaid and IKFL has issued No dues letter dated _____ towards the above mentioned loan account, I/We the Applicants(s) request you to kindly hand over the Title Deeds of the said property to Mr./Ms. _____ who is hereby authorized to collect the Title Deeds.

4. I/We, the Applicants residing at the below mentioned address state and confirm that I/ we am/are the only legal heirs of deceased Borrower/Co-Borrower/Mortgagor and my/our relevant information is as follows;

| Name | Address | Occupation | Relationship with deceased |
|------|---------|------------|----------------------------|
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5. We the Applicants do hereby confirm and state that the Bank is authorized to release the Title Deeds to Mr./Ms. _____ and hereby undertake not to raise any dispute or claim in connection with the release of the Title Deeds.

6. We undertake to execute all the requisite documents and to provide any documents as may be required by the Bank for the purpose of release of Title Deeds.

7. I/We hereby solemnly affirm that the above statements are true and correct to the best of my/our knowledge and belief.

Yours faithfully

| Name | Signature |
|------|-----------|
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* Where any of the legal heirs is a minor then the guardian of the minor will execute this document. Where there is no natural guardian, then Court appointed guardian can execute the document subject to providing copy of the Court order.

Annexure 2

INDEMNITY CUM UNDERTAKING

This Indemnity made at.....thisday of 20....., executed by(Name of all legal Heirs as per document)..... addressed at, "THE LEGAL HEIR(S)" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their respective heirs, executors, administrators and assigns) of Mrs./Mr.(Borrowers/Co-Borrowers/Property Owner) of the One Part, and IFFCO KISAN FINANCE LIMITED hereinafter referred to as the "IKFL" which expression shall include its successors in interest and assigns) of the Other Part

WHEREAS:

- a) IKFL at the request of the Borrower (s) has granted loan facility for an amount of Rs./- (Rupees Only) to the Borrower. The Borrower has executed a Loan / Facility Agreement on
- b) That Late Mrs./Mr. (hereinafter referred as the "Deceased/ Mortgagor") was father/ mother/ husband/ wife/ grandfather/ grandmother of Legal Heirs mentioned in point no. C.
- c) That the Deceased expired on _____ leaving behind the following heirs (widow/ widower/ mother/ son/ daughter/ widow of predeceased son/ children of predeceased daughter/ children of predeceased son etc.) under applicable prevailing personal laws in India and their names along with their relationship with deceased, their ages and their addresses are given below.

| S. No | Name as mentioned in the Identity proof | Age | Address as mentioned in the address proof | Relationship with the deceased |
|-------|---|-----|---|--------------------------------|
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- d) That the Deceased did not leave behind any other heirs except those whose names are given above.
- e) That the Deceased is the owner of the property located at (Hereinafter referred to as "the said Property") which has been mortgaged to IKFL vide mortgage deed dated (Hereinafter referred as "Mortgage Deed").

- f) That the Legal Heir(s) have repaid the entire outstanding dues to IKFL and there are no further dues against the Deceased. As per process, entire original title deeds relating to the said Property is to be handed over to the Mortgagor(s) or to the Legal Heir(s) of the Mortgagor(s).

THE LEGAL HEIR(S) DO HEREBY CONFIRM AND UNDERTAKE THAT:

1. The Legal Heir(s) are the only legal heirs of the Deceased as per prevailing applicable personal laws in India.
2. There is no third-party interest in the said Property except the interest of Legal Heirs.
3. The Legal Heir(s) are eligible and having valid legal heir certificate/other valid document to confirm the heirship to the Deceased.
4. The Legal Heir(s) hereby indemnifies to IKFL that in the event any third party claims right to the said Property, the Legal Heir(s) will cover any such claim/loss suffered by IKFL.
5. The Legal Heir(s) states and declares that he/she/they shall not hold IKFL responsible for any claim on the said property by any third party and shall keep IKFL indemnified in future for all times and shall be solely responsible for the same.

INDEMNITY OF THIS DEED FOR WITNESSETH

that in consideration of what is stated hereinabove, the Legal Heir(s) do and each of them both hereby agree and undertake to indemnify and keep indemnified and forever save harmless IKFL against all demands, claims, suits, actions, proceedings and litigations etc., that may be adopted by anybody in respect of the said Property, by virtue of such person being in possession of the Original Agreement/s, Title Deeds in respect of the aforesaid Property as a consequence of the same being delivered elsewhere as security and the Legal Heir(s) do and each of them further agree and undertake to indemnify and keep indemnified and save harmless IKFL against all costs, charges and expenses on defending any such actions, suits, proceedings, demands, notices, prosecutions, claims, litigations, etc. that the obliges may suffer or incur as a consequence of including but not limited to non-furnishing of documents and non-stamping and nonregistration of any the aforesaid documents and also on account of any declarations, statements and/or representations made hereinabove against any costs, charges and expense that may from time to time be incurred or sustained or suffered by the Company and/or its assets, effects and estate and/or incidental to or arising from such claims, demands suits, actions and for proceeds made, taken, brought, institutional filed or levied against or upon IKFL and/or the said shares and/or the said Property or any part thereof for any other reason howsoever or whatsoever.

IN Witness whereof the Mortgagors have hereunto set and subscribed their respective hands the day and year herein above written.

SIGNED AND DELIVERED by
The within named "LEGAL HEIR(S)"

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Annexure 3

GENERAL POWER OF ATTORNEY

(To be duly stamped and notarized as per Stamp Act of the State of execution)

KNOW ALL MEN BY THESE PRESENTS THAT I
MR./MRS. _____ DO HEREBY APPOINT AND
CONSTITUTE Mr./Mrs. _____ son/daughter of
_____ (hereinafter called "Attorney" who has subscribed His/her
signature hereunder in token of identification) and at present residing
at _____ to be my lawful Attorney in my name
and on my behalf to do any one or all of the following acts, deeds and things, namely:

1. To receive all Original title documents in respect of mortgage property from IFFCO Kisan Finance Ltd located at _____ on my behalf after closure of Loan Account No. _____.
2. To give proper acknowledgement on my behalf to **IFFCO KISAN FINANCE LIMITED ("IKFL")** & acknowledging Receipt of all title documents received from **IKFL**.

The Attorney is authorized to do all such acts, deeds and things including signing any papers / Documents as are necessary and incidental to the above and that any act or statement or Writing, my said Attorney in pursuance here to shall be deemed to be fully authorized and Ratified by me.

At Place _____ on this the _____ day of _____ 20__..

Signature of Borrower/Legal heir(s)

Specimen Signature of Attorney

WITNESSES:

1. _____

2. _____

(Signature of the Witness along with Full Name, Address & Occupation)

Annexure 4

RECEIPT OF ORIGINAL DOCUMENTS

I/we have Received with thanks from IKFL, _____ branch, following property documents in original

1.

2.

On behalf / in favour of _____ in full and final closure of my/our Loan account no. _____ standing in the name of the Mr./Miss/Mrs. _____ as legal heir(s), where deceased person is the mortgagor in said loan account.

I/We do not have any other claim from IKFL henceforth. I / We hereby confirm that the delivery of above documents has been received in original as per the LOD for self and for and on behalf of other legal heirs of the deceased.

| Name of Legal Heirs | Signature of all Legal Heirs | Date | Place |
|---------------------|------------------------------|------|-------|
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Signature:

Date:

Place: