

Collateral Documents Handover in the case of Demise

As per the RBI circular RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 the process of procurement of collateral under circumstances such as a deceased borrower needs to be displayed on the website.

Incase the borrower is deceased, based on the below scenario the property documents can be procured.

Scenario 1: When the deceased borrower is the sole property owner (Loan with Co-Borrower): Collaterals will be handed over to legal heirs of the deceased borrower subject to receipt of following documents:

- a) Deceased individual's death certificate
- b) Succession certificate / Probated Will*

Scenario 2: When the deceased borrower is the property owner along with other co-owners. Collaterals may be transferred to the legal heirs of a dead borrower upon receipt of the following:

- a) Death Certificate of deceased individual
- b) Succession certificate / Probated Will*
- c) NOC from legal heirs of the deceased would be required.

Scenario 3: Deceased Co-Borrower who was a non-individual applicant.

- a) Fresh Board resolution to be issued by the company incorporating the new individual as authorized person for transactions on loan.
- b) KYC to be collected before acceptance of foreclosure amount.

Based on new documentation, the property documents can be handed over to the new authorized signatory

****Please note:***

Probate is not mandatory in all states. We can rely on registered will except for states where probate is compulsory. Probate is mandatory when a will is made in, or property is located in following jurisdiction irrespective of where the will is executed

- Jurisdiction of the regime of the Lieutenant-Governor of Bengal – State of West Bengal, Bihar, Jharkhand, Orissa & Assam.
- Jurisdiction of the Ordinary Original Civil Jurisdiction of the High Courts of Judicature at Madras – Districts of Kanyakumari, Tirunelveli, Tuticorin, Madurai, Dindigul, Ramanathapuram, Virudhunagar, Sivaganga, Pudukottai, Thanjavur, Nagapattinam, Tiruchirapalli, Perambalur and Karur.
- Jurisdiction of the Ordinary Original Civil Jurisdiction of the High Courts of Judicature at Bombay - Maharashtra and Goa and over the Union territories of Dadra and Nagar Haveli, and Daman and Diu.