

January 3, 2005

**RBD ADV CODIFIED CIR. No.3/05**

**TO ALL OFFICES**

**IN SUPERSESSION OF**  
RBD ADV CIR. NO. 04 DATED 13.01.2004

**RETAIL BANKING DIVISION: ADVANCES: CODIFIED CIRCULAR NO: 3/2005**

**PERSONAL LOAN SCHEME FOR PENSIONERS**

Attention of Incumbents is invited to RBD Advances Circular No.04 dated 13.01.2004 wherein detailed instructions regarding Personal Loan Scheme for Pensioners have been advised.

Based on the suggestions received from the field and with a view to make our scheme competitive and flexible, certain changes have been made in terms and conditions relating to **Rate of Interest** and **Repayment Period** clauses of the above scheme.

Further, to obviate reference to different Circulars as mentioned above, the instructions contained therein have been consolidated. The codified and consolidated guidelines in respect of above Scheme are enclosed.

**(M.S. MAUN)**  
**ASSTT. GENERAL MANAGER**

Encl: As above.

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## **PERSONAL LOAN SCHEME FOR PENSIONERS**

### **1. ELIGIBILITY**

The instalments will be deducted from the pension at the time of payment of pension for which a letter of authority shall be obtained from the Pensioner.

All type of pensioners drawing their pension through our branches. This includes family pensioners and Ex-employees of our Bank. PNB's pre 1986 retirees who are getting ex-gratia are also eligible.

Pensioners whose pension is being received by the Bank through Department of Pension Disbursing Offices (DPDOs) may also be allowed loan under the Scheme.

**Further, pensioners who are above the age of 75 years shall be eligible for a loan amount of Rs.60,000/- only.**

### **2. PURPOSE**

To meet personal needs including medical expenses.

### **3. LOAN AMOUNT**

Maximum loan amount shall be **Rs. 1,00,000/-** (Rupees One lac OR amount equivalent to **12** times monthly Net Pension whichever is lower.

### **4. NATURE OF LOAN**

Demand Loan/ Term Loan.

### **5. MARGIN**

NIL.

### **6. INTEREST RATE**

**A.** Where loan is allowed in the shape of Demand loan and is repayable in less than 3 years.

**Nature of Loan: DEMAND LOAN (Repayable in less than 3 years)**

- Upto Rs.25, 000/- -BPLR (presently 10.75%).
- Above Rs.25, 000/- -BPLR + 0.25% (presently 11%)

**B.** Where loan is allowed in the shape of Term loan and is repayable in 3 years and upto 60 months.

**Nature of Loan: TERM LOAN (Repayable in 3 years and upto 60 months)**

- Upto Rs.25, 000/- -BPLR (presently 10.75%)
- Above Rs.25, 000/- -BPLR + 0.25% (presently 11%)

Rate of interest will be determined with reference to amount of loan availed.

**However, the rate of interest shall be BPLR for loans allowed to ex-employees of our bank including PNB's pre-1986 Retirees, irrespective of the loan amount.**

**7. REPAYMENT**

Loan alongwith interest is to be repaid in maximum 60 equal monthly instalments. The instalment is to commence one month after disbursal of loan.

In respect of pensioners above the age of 75 years repayment period shall be maximum of 24 months. However, sanctioning authority may allow repayment period maximum of 48 months depending upon merits of the case in respect of pensioners who are above the age of 75 years.

The instalments will be deducted from the pension at the time of payment of pension for which a letter of authority shall be obtained from the Pensioner.

**8. UPFRONT FEE**

NIL.

**9. SECURITY**

Guarantee of spouse eligible for family pension to be obtained OR of any other family member of means OR a third party guarantee acceptable to the Bank.

**10. LOANING POWERS**

Loaning powers shall be as under:

	(Rs. in lacs)	
<b>SMALL BRANCH</b>	<b>MEDIUM BRANCH</b>	<b>LARGE BRANCH &amp; ABOVE</b>

-----Full powers as per ceiling of the Scheme ----

#### **11. DISBURSEMENT**

The loan amount shall be disbursed by crediting to Saving/Current Account of the pensioner.

#### **12. DOCUMENTATION**

- i) Letter of Request- ANNEXURE - I;
- ii) Letter of Authority- ANNEXURE - II;
- iii) Letter of authority (in duplicate) to be taken in case of DPDO Pensioners – ANNEXURE - III. The same be sent by registered post to the DPDO alongwith information in writing regarding disbursement of the loan to the concerned pensioner. Further an Affidavit may be obtained from the concerned pensioner that he/she shall not change his/her present disbursing branch/bank without bank's consent. Also concerned pensioner's PPO copy be kept with the loan documents during the currency of the loan;
- iv) Promissory Note - PNB 728.
- v) Guarantee - PNB 58 H.

#### **13. OTHER GUIDELINES**

The loan can be availed more than once only after adjustment of earlier loan.

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**LETTER OF REQUEST CUM SANCTION LETTER FOR ADVANCE UNDER  
PERSONAL LOAN SCHEME FOR PENSIONERS.**

The Manager,  
Punjab National Bank

\_\_\_\_\_  
\_\_\_\_\_

Dear Sir,

**Reg.: Advance under Personal Loan Scheme for Pensioners.**

I request you to grant me an advance of Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_ only) for meeting my personal needs/medical  
expenses. I am eligible for the loan applied for under the above scheme for pensioners.

I am drawing a monthly pension of Rs. \_\_\_\_\_  
(Rupees \_\_\_\_\_) having retired from  
\_\_\_\_\_ in the year \_\_\_\_\_. The pension is being credited in my SF/CA  
A/c No. \_\_\_\_\_ maintained with your branch.

I agree to repay the said advance of Rs. \_\_\_\_\_ (Rupees  
\_\_\_\_\_) in 24 equal monthly instalments alongwith  
interest @ \_\_\_\_\_ p.a. with \_\_\_\_\_ rests. I agree to pay interest tax, if any, in  
force. The interest chargeable shall be subject to changes as prescribed by bank from time to  
time. In the event of my death or for any other reason deemed fit, the bank shall have the right  
to recall the loan outstanding immediately irrespective of repayment period fixed. I also agree to  
execute all the documents prescribed and to abide by all terms and conditions of the scheme from  
time to time.

Yours faithfully,

Place \_\_\_\_\_

Date \_\_\_\_\_

(Signature of the applicant)

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

PPO No. \_\_\_\_\_

Res. Address. \_\_\_\_\_

\_\_\_\_\_

Tele/Mobile No. \_\_\_\_\_

COMMENTS / RECOMMENDATIONS OF APPRAISING OFFICER

(Signature & Name of Appraising Officer)

ORDERS OF THE SANCTIONING AUTHORITY

(Signature & Name of Sanctioning Authority)

**ANNEXURE-II**

LETTER OF AUTHORITY

From

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To

The Manager  
Punjab National Bank,

\_\_\_\_\_.

**Sir,**

**SUB : ADVANCE UNDER PERSONAL LOAN SCHEME FOR PENSIONERS**

With reference to the loan of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_  
\_\_\_\_\_) granted to me by you  
towards meeting my Personal needs/Medical expenses, I give you my irrevocable  
authorisation to recover the monthly instalments commencing from the month of  
\_\_\_\_\_ from my SF/CA a/c \_\_\_\_\_ with you in which my pension is  
credited. This may be treated as a standing instruction in my SF/CA a/c.

Yours faithfully,

(Signatures of the Applicant)

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

Res.Add. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Tele/Mobile No. \_\_\_\_\_

PLACE: \_\_\_\_\_

DATE: \_\_\_\_\_

**LETTER OF AUTHORITY- (DPDO PENSIONERS)**  
**(TO BE OBTAINED IN DUPLICATE)**

**From :**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To

The Manager,  
Punjab National Bank,

\_\_\_\_\_  
\_\_\_\_\_

Sir,

**Sub: Advance under Personal Loan Scheme for Pensioners**

With reference to the loan of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_  
\_\_\_\_\_) granted to me by you towards meeting my Personal needs /  
Medical expenses, I will not apply / request to the Department of Pension Disbursing  
Office (DPDOs) for change of disbursing Branch / Bank (PNB) till the loan is adjusted in  
full. I am hereby submitting this letter in duplicate, one copy may be sent to DPDOs.

Yours faithfully,

(Signature of Applicant)

Name \_\_\_\_\_

Resi. Add: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
Tele/Mobile No. \_\_\_\_\_

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

Dated: \_\_\_\_\_

**RBD: Advances:**  
**Cir. No.13/2005**

March 11, 2005

**TO ALL OFFICES**

**RETAIL BANKING DIVISION: ADVANCES: CIRCULAR No.13**

**Personal Loan for Pensioners – Scheme amendments**

In terms of RBD Advances Codified Circular No.3 dated 3.1.2005, detailed consolidated guidelines on the Personal Loan Scheme for Pensioners have been communicated for its implementation at the branches.

Based on the suggestions received from the field and to make the Scheme more competitive, it has been decided to reduce the rate of interest by 50 basis points than the prescribed rate applicable. Accordingly, the revised applicable rate of interest is given hereunder:

<b>Existing Rate of Interest</b>	<b>Revised Rate of Interest</b>
<p><b>A.</b> Where loan is allowed in the shape of Demand loan and is repayable in less than 3 years. <b>Nature of Loan: DEMAND LOAN (Repayable in less than 3 years)</b> - Upto Rs.25, 000/- -BPLR (presently 10.75%). - Above Rs.25, 000/- -BPLR + 0.25% (presently 11%)</p> <p><b>B.</b> Where loan is allowed in the shape of Term loan and is repayable in 3 years and upto 60 months. <b>Nature of Loan: TERM LOAN (Repayable in 3 years and upto 60 months)</b> -BPLR (presently 10.75%) -BPLR + 0.25% (presently 11%)</p>	<p><b>A.</b> Where loan is allowed in the shape of Demand loan and is repayable in less than 3 years. <b>Nature of Loan: DEMAND LOAN (Repayable in less than 3 years)</b> - Upto Rs.25, 000/- -BPLR – 0.50% (presently 10.25% p.a.) - Above Rs.25, 000/- - BPLR + 0.25% - 0.50% (presently 10.50% p.a.)</p> <p><b>B.</b> Where loan is allowed in the shape of Term loan and is repayable in 3 years and upto 60 months. <b>Nature of Loan: TERM LOAN (Repayable in 3 years and upto 60 months)</b> -Upto Rs.25, 000/- - Upto Rs.25, 000/- - BPLR – 0.50% (presently 10.25% p.a.) - Above Rs.25, 000/- - BPLR + 0.25% - 0.50% (presently 10.50% p.a.)</p>

All other terms and conditions of the scheme shall remain unchanged.

All concerned are advised to note the above instructions for meticulous compliance.

**(M.S. MAUN)**  
**ASSTT. GENERAL MANAGER**