LOAN AGAINST

LEASE RENT RECIEVABLE DISCOUNTING SCHEME (LRRD)
OR

FUTURE RENT RECIEVABLES

LEASE RENT DISCOUNTING (LRD)

It is offered against rental receipts derived from lease contracts with corporate tenants.

Based on the underlying value of a property and the discounted value of rentals.
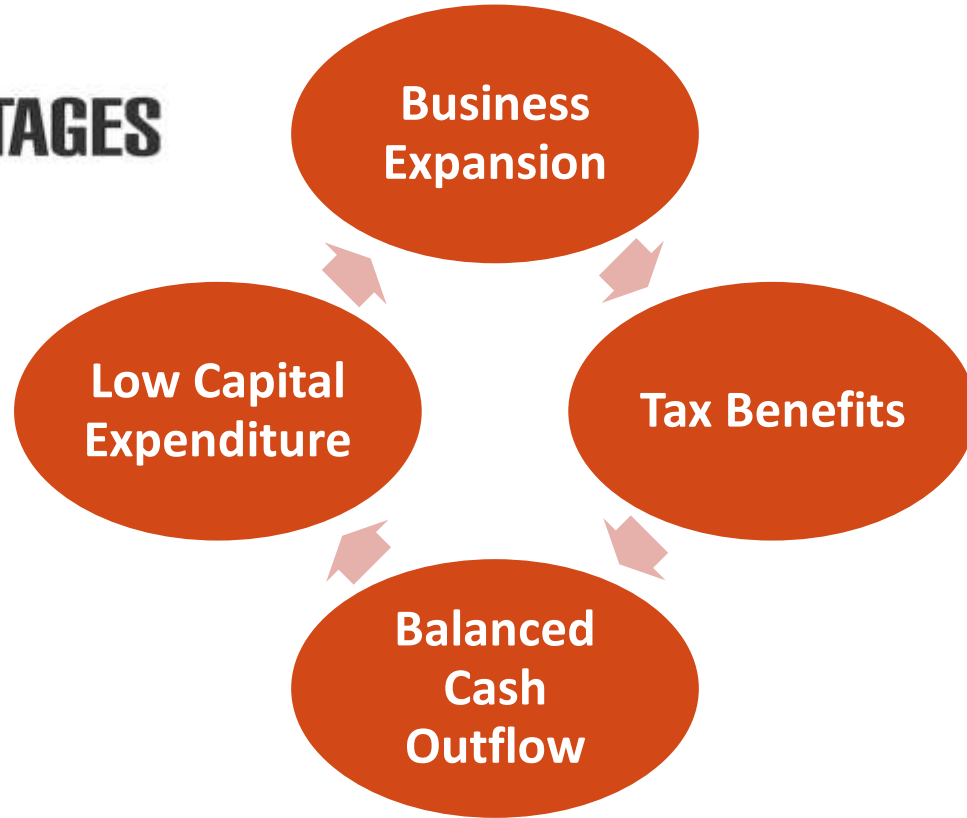
- Taking up new projects

- Business, trade/commercial activity

- Education/Marriage Expenses.

- Repair/Renovation/Construction of building/residences/Commercial shops

- Repayment of Existing Loans

- Purchase of House

The loan may be availed for any personal/business needs of the borrower however loan will not be considered for any speculative or illegal purposes.

Features

TYPE OF FACILITY

TERM LOAN

TARGET GROUP

All MSME Units along with the individuals who are owners of residential and commercial properties let out on rent.

QUANTUM OF LOAN

Minimum Loan: Rs. 10 Lakhs

Maximum Loan: Rs. 50 crores for National banking group and Rs. 500 crores for Mortgage Guarantee company

SCALE OF FINANCE

Lowest of:

a. 95 % of Net Present Value (NPV) of net rent receivables as per 1 yr MCLR **OR**

b. 70% of realizable value of the property mortgaged **OR**

c. **Upto Rs.50 crore:** 70% of net rent receivable for the residual lease period including the period covered under one renewal or loan tenor, whichever is less

Above Rs.50 crore: 75% of net rent receivable for the residual lease period including period covered under renewal clause or loan tenor, whichever is less

- **Pricing :** Competitive Pricing Linked to MCLR

- Repayment Period Repayment of loan should be through EMI. An escrow account should invariably be opened with our Bank for credit of rentals against which the loan is sanctioned.

- **Processing Fee/Upfront Fee :** As per extant instructions

Eligibility Criteria

ELIGIBILITY

- All owners of residential buildings and commercial properties which are to be rented or already rented to the following entities are mentioned below.

  - MNCs
  - Banks
  - Large and Medium size corporates
  - Government offices both Central and State Government
  - Public bodies such as Municipal Corporations etc.

Note: It is not applicable for the properties have been leased to social infrastructure project such as colleges, schools, orphanages, hospitals, old age homes, nursing homes etc.

APPLICANT'S ELIGIBILITY

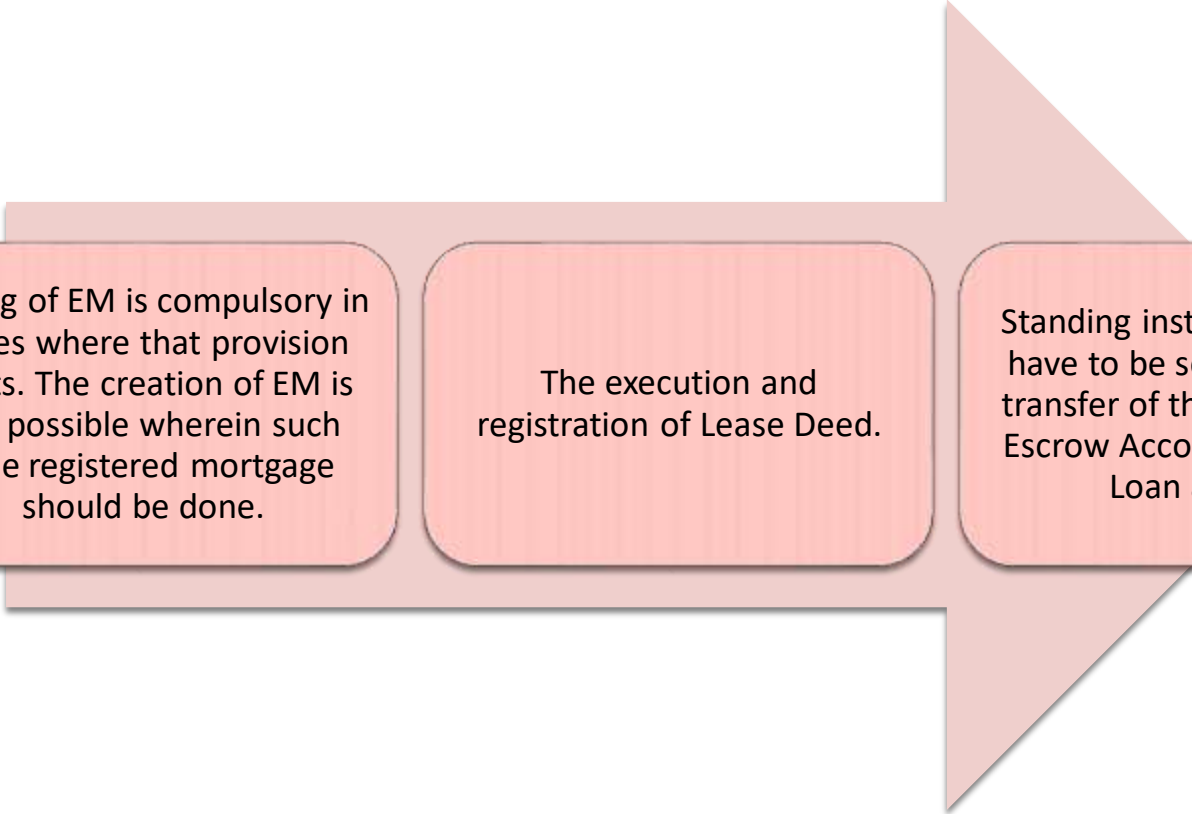| S.No	Categories	Eligibility Specification
1.	Age	At least 25 years
2.	Nationality	Indian
3.	Property value	Minimum revenue generated via property is Rs.10 Crore

Collateral Security

Equitable Mortgage on building against the rentals of which the loan would be sanctioned or any other acceptable property of similar value.

The realizable value of property to be mortgaged should be at least 143% of the loan amount

Noting of EM is compulsory in states where that provision exists. The creation of EM is not possible wherein such case registered mortgage should be done.

The execution and registration of Lease Deed.

Standing instructions should have to be set up in CBS for transfer of the EMI from the Escrow Account to the Term Loan account.

LIST OF Documents Required

DOCUMENTATION:

Salaried Customers	Self Employed Professionals	Self Employed Non Professionals
Application form with photograph	Application form with photograph	Application form with photograph
Identity and Residence Proof	Identity and Residence Proof	Identity and Residence Proof
Latest Salary-slip for last 3 months	Education Qualifications Certificate and Proof of business existence	Proof of business existence
Form 16/ITR	Last 3 years Income Tax returns	Business profile
Last 6 months bank statement	Last 3 years Profit /Loss and Balance Sheet	Last 3 years Income Tax returns
		Last 3 years Profit /Loss and Balance sheet statement.
Processing fee cheque	Last 6 months bank statements	Last 6 months bank statements
	Processing fee cheque	Processing fee cheque
Property Related Documents	All Title related Documents along with approved sanction/building plan.	

How to Apply?

Step – 1

Visit the official site of your lender.

Step – 2

Fill in the appropriate application form.

Step – 3

Provide the required details.

Step – 4

Furnish essential documentation.

ASSUMPTIONS

- Eligibility
- Scale of Finance
- Repayment period
- Rate of Interest
- Processing Charges
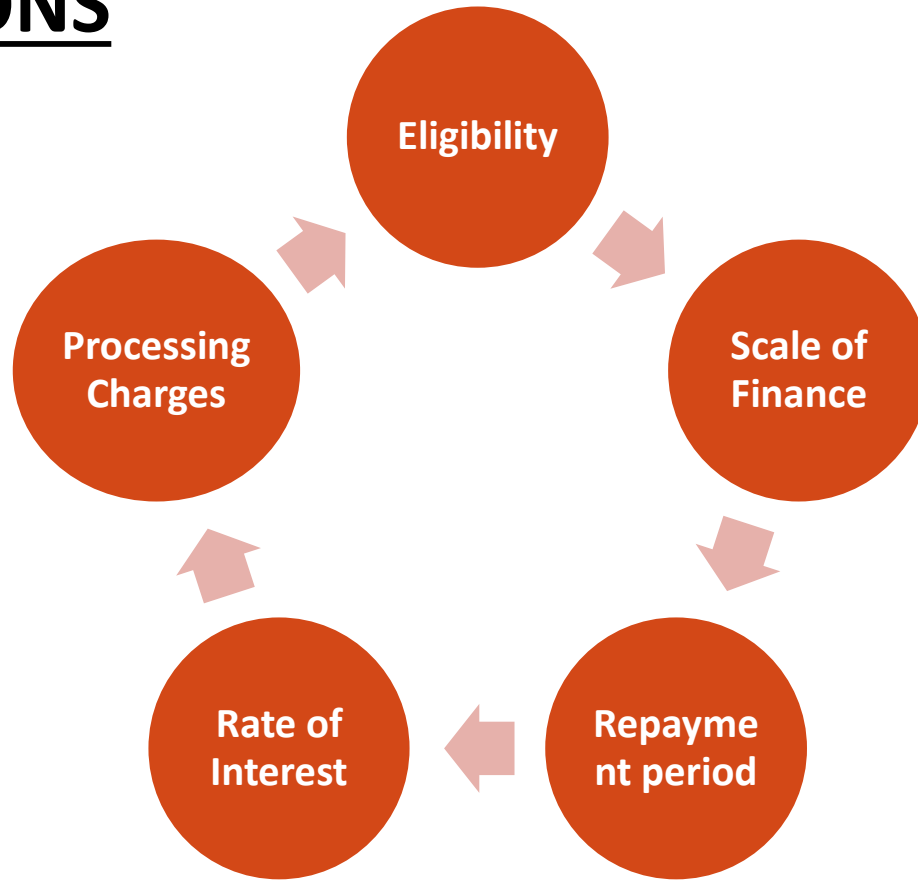
Varies between Bank to Bank

Thank You