Fusion Finance

Standard Operation Procedure for

Return of Property Documents Post Loan Closure – NBFCs

Objective:
To outline a standardized process for the return of original property documents in secured loan cases against full repayment of the loan, ensuring compliance, transparency, and timely delivery of original documents to rightful parties.

1. Applicability

This process applies to all loan accounts where the company has kept the immoveable asset as security by way of mortgage, and the borrower has fully repaid the outstanding dues, and the loan has been officially closed in the system.

This is effective from 15th of April 2025.

2. General guidelines for returning original property papers--

- Original property documents must be returned **within 30 days** of the **date of loan closure** (i.e., system closure date).
- FFL must ensure that all original documents taken at the time of disbursal are returned in the same condition as received.
- Upon return of the original property papers, the borrower's acknowledgement is to be taken on record and the circumstances may be-
  - All the borrowers along with the property owner should be present during the handover of original documents or either of them be present for self and/or as SPA holder of the rest of the co-borrowers.
  - If the FFL notices dispute among legal heirs or borrowers, court orders from competent authority should be required before handling over the original documents.
  - In the unfortunate event of death of the property owner, following documents is required-
    - Death certificate of the property owner.
    - **If the property owner dies intestate**- Letter of Administration/succession certificate along with Legal Heir Certificate issued by the government authorities.
    - **If the property owner dies with a testament** – Original Regd./Unregd. Will along with a letter of probate (If available) to be presented to FFL employees before the handover process.
    - If legal heir is a minor, Legal Heir certificate duly attested through SDM nominating the natural guardian.

Verification of Legal Heirs

- All the legal heirs mentioned in SDM's legal heir certificate should present their KYC documents to FFL employees for their identification.

- If any of the legal heirs is a minor, he/she should be identified through his/her natural guardian as authorized by competent authority.

- If any legal heir is predeceased to the deceased property owner, successors of the predeceased son/daughter to be identified by the Karta of the family

Dispatch of Documents to Branch

- The Central operation team will prepare the NOC along with the docket having the original property papers and dispatch the property papers along with NOC to the branch operation.
- The central operation team will contact the customer via recorded telecom to collect the documents from the branch concerned.
- Post receipt of property documents, the branch operation will contact the borrower ask them to collect the property papers.
- Customer's acknowledgment regarding the receipt of property documents along with their NOC to be uploaded in system.

Timeline

Stage	Timeframe
Loan Closure & System Update	Within 7 working days of receipt of final payment
Initiation of Document Return Process	Within 10 working days of loan closure
Final Handover of Property Documents	**Within 30 Working days** of loan closure (subject to receipt of required documents)

Record Keeping

- All documents related to the handover process (acknowledgments, ID proof, SPA, legal heir documents, etc.) must be archived digitally and physically for **a minimum of 8 years**.

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