

From:	Report	
	Subject	Credit Appraisal & Monitoring- Other Loans-Specific Issues
	Date	
	Circulation	

Specific issues in respect of Credit Appraisal & Monitoring in respect of other loans.

Sr. No.	Specific Issues:	Action
A	Deposit loan / Overdraft	
1	Lien should be noted immediately on sanction & disbursement of Loan	
2	Security register should be reviewed to adjust the proceeds of matured TDR against the loan a/c.	
3	NOC & letter of lien & set off should be obtained from joint holder / third party.	
4	TDR should be discharged. The discharge is usually pending when TDR is renewed in case not adjusted to loan account.	
5	Signature on discharged TDR should be verified.	
B	Loan against LIC Policy	
1	LIC policies should be sent for assignment immediately after loan is disbursed.	
2	Register of LIC policies sent for assignment should be kept.	
3	Follow up should be done of LIC Policy sent for registering assignment but not been received back till date.	
4	Latest premium receipt should be obtained yearly.	
5	Surrender value certificate of policy should be obtained every year.	
C	Loan against NSC.	
1	Bank should arrange to get lien recorded on NSC directly from post Office. NSCs should not be given to borrower for marking lien from Post Office. In any case, loan should not be disbursed till lien is duly recorded on NSC.	

Sr. No.	Specific Issues:	Action
D	Vehicle Loans:	
1	Scrutiny should be done whenever Transport company submits letter-showing willingness to take the vehicle being purchased by borrower for hire.	
2	Various papers in respect vehicle such as RC book, Tax book, Insurance policy, Bill, Receipt, Vehicle fitness certificate, Permit, RTO set of transfer documents, duplicate keys, RTO certificate etc. should be obtained.	
3	Most of the papers referred above will be available only after disbursement is made and hence close follow up is called for.	
4	In case advance is given for purchase of vehicle to be used for hire, then it is essential to obtain RTO tourist permit.	
5	In case vehicle is to be used for hire, then the said fact should be disclosed to Insurance company at the time of taking insurance policy.	
6	Borrower should be requested to bring vehicle to branch for inspection on taking delivery.	
7	All vehicles should be inspected on yearly basis.	
8	Bank's name should be painted on the vehicle. Preferably Bank should give Name stickers to the borrower for affixing on vehicle.	

