

Procedure for return of original property documents to the legal heirs in event of demise of the sole borrower or joint borrowers of Aavas Financiers Limited

Introduction

AAVAS FINANCIERS LIMITED (herein referred to as “Aavas”) is a Non-Banking Finance Company-Housing Finance Company (NBFC-HFC) regulated by Reserve Bank of India (RBI). This document has defined Procedure for return of original property documents to the legal heirs in event of demise of the sole borrower or joint borrowers (herein referred to as “deceased Borrower”) of Aavas. This procedure is based on RBI Circular No. RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated September 13, 2023 on Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans. This document provided simplified Procedure for enabling speedy and hassle free return of original property documents to the legal heirs in event of demise of the sole borrower or joint borrowers.

Applicability

This procedure shall be followed only in below conditions:

- A. Demise of Sole Borrower in loan account provided by Aavas, or
- B. Demise of all Borrower/Co-Borrower in loan account provided by Aavas

This procedure shall be followed only after full repayment/settlement of outstanding loan(s) provided by Aavas to deceased Borrower. The person repaying/settle the loan provided by Aavas, shall not made entitled to receive the original property documents. Aavas shall delivered original property papers to legal heirs of such deceased Borrower.

Delivery of original property papers to legal heirs shall be done as per procedure defined below.

Procedure for delivery of original property document

1. To ensure against wrongful delivery of original property document, Aavas shall deliver original property document on production of Legal Representation.
2. For the purpose of this document, Legal Representation shall include **any of** below documents which empowered legal heir/s to collect the original property document kept with Aavas:
 - A. **Court order such as Probated Will:** Copy of the will certified under the seal of the Court of competent jurisdiction confirming that the will has been duly executed and has the force to be acted upon. It is the legal process/court order administering the estate of a deceased borrower by resolving all claims and distributing the deceased borrower’s property under a valid will. Aavas shall act as per the probate/court order, upon submission of such copy.
 - B. **Letter of Administration:** Where deceased Borrower->
 - i. Died interstate (not leaving behind any will); or
 - ii. When a borrower dies leaving a will without appointing an Executor; or
 - iii. When an Executor appointed by a will is legally incapable or refused to act or himself died;

In that case, an administrator can be appointed by a Competent Court as distinguished from an executor who can be appointed by a person by his will or codicil.

- C. **Succession Certificate:** Certificate/order issued by a Court of competent jurisdiction declaring the name(s) of legal heir(s) of a deceased borrower and percentage of their share in the property of the deceased. A succession certificate is a document which empowered a person(s) as legal heir(s) and give authority to collect the original property document due to death of borrower(s).
3. Along with above mentioned Legal Representation, following documents have to be obtained from the legal heirs , when a claim for collection of original property document made by them:
 - A. Copy of Death Certificate and Original Death Certificate Issued by Competent Authority for verification along with Application;
 - B. Photograph and valid proof of identification (as per Officially Valid Document) such as proof of possession of Aadhaar number, the Voter's Identity Card issued by the Election Commission of India, job card issued by NREGA duly signed by an officer of the State Government and letter issued by the National Population Register containing details of name and address or;
 4. Post loan repayment / settlement & closure, all Legal heirs shall be physically present for release of original property documents from other legal heirs of deceased would be required. After complying all other procedures, original property documents will be handed over to legal heirs under due acknowledgement.
 5. In case of any dispute among the Legal heirs, any claim made by legal heir/ heirs, any notice received objecting release the original property documents, then the documents will be handed over only after clear court order or all the legal heirs have jointly decided among themselves with respect to the original property document custody and such understanding is signed by all legal heirs.
 6. Aavas shall reserves the right in sole discretion and without liability to take final decision on delivery of property documents.
 7. The laws, rules of the respective states / jurisdiction will be applicable in case of any dispute.