

Yunus Social Business Fund Bengaluru Private Limited

Procedure for Return of Property to Legal Heirs in Case of Borrower's Demise

(Version approved by the
Board of Directors on 28th November 2024)

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Introduction:

As per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, In order to address the contingent event of demise of the sole borrower or joint borrowers, RBI has directed all the NBFCs to have a well laid out procedure for return of original movable/immovable property documents to the legal heirs. Such procedure shall be displayed on the website of NBFCs along with other similar policies and procedures for customer information. In this regard, Yunus Social Business Fund Bengaluru Private Limited ("YSBFB") shall follow the below procedure:

1. NOTIFICATION OF DEMISE:

1.1. Claim Communication: YSBFB shall accept a claim notification from the legal heirs, which may include a death certificate and identification documents.

1.2. Verification Process: YSBFB will verify the authenticity of the documents provided and the relationship of the claimants to the deceased borrower.

2. DEBT SETTLEMENT:

2.1. Outstanding Dues: YSBFB will determine the outstanding balance on the loan account, including any accrued interest, penalties, or other charges.

2.2. Settlement Options: YSBFB will provide the legal heirs with options for settling the outstanding debt, such as:

- a) **Full Payment:** The heirs can make a one-time payment to settle the entire outstanding amount.
- b) **Repayment Plan:** If full payment is not feasible, YSBFB may offer a repayment plan with agreed-upon terms and conditions.
- c) **Asset Sale:** In certain cases, YSBFB may agree to sell the mortgaged property to recover the outstanding debt.

3. DOCUMENTATION AND VERIFICATION:

3.1. Legal Documents: YSBFB will require the legal heirs to provide necessary documents, such as:

- a) Death certificate
- b) Succession certificate or probate

- c) Identity proofs of the legal heirs
- d) Property ownership documents
- e) Family Tree certificate

3.2. **Verification:** YSBFB will verify the authenticity of these documents and ensure that the legal heirs have the necessary authority to claim the property.

4. PROPERTY RETURN:

- 4.1. **Debt Settlement:** Once the outstanding debt is settled or a satisfactory repayment plan is in place, YSBFB will proceed with the return of the original property documents.
- 4.2. **Release of Mortgage:** YSBFB will issue a satisfaction of mortgage to formally discharge the mortgage lien on the property.
- 4.3. **Document Transfer:** The original property documents will be transferred to the legal heirs.
- 4.4. **Acknowledgment:** The legal heirs will acknowledge receipt of the property documents and confirm that the mortgage has been fully discharged.

5. RECORD KEEPING:

- 5.1. **Documentation:** YSBFB will maintain a detailed record of the entire process, including the claim notification, debt settlement, document transfer, and acknowledgment.
- 5.2. **Retention:** YSBFB will retain these records for a specified period as per applicable laws and regulations.

6. REVIEW AND REVISION:

The Board of Directors of YSBFB shall review the policy annually and shall approve all necessary changes for adoption.

7. ADMINISTRATION & ADOPTION OF POLICY:

The Managing Director of the Company shall be responsible for the administration, interpretation, and application of this policy. The Managing Director of the Company also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Board. This policy and any changes made during the annual reviews shall be adopted by resolution of the Board of Directors.

8. DISCLOSURE ON THE WEBSITE:

The details of this policy shall be disclosed by the YSBFB in its website.