

Retail Banking Department

Union Bank Bhawan, 239, Vidhan Bhawan Marg, Nariman Point, Mumbai

Instruction Circular No:2000:2020

Date: 31.03.2020

All Branches & Offices

Union Covid 19 Personal Loan Scheme (UCPLS)

The Novel Corona Virus outbreak is rampant throughout the world and will impact India's economic growth "severely" as the COVID-19 lockdown is causing significant disruption across multiple sectors.

In a bid to help people affected in the wake of corona virus outbreak in our country, we introduce **Personal Loan Scheme** detailed as under for amalgamated entity i.e. **Union Bank of India, Andhra Bank & Corporation Bank**:

S. No.	Parameters	Details / particulars
1.	Scheme	Union Covid 19 Personal Loan Scheme (UCPLS)
2.	Type of facility	Term loan
3.	Validity of the scheme	Up to 30.06.2020
4.	Purpose	<ul style="list-style-type: none">➤ To meet consumption needs / medical expenses.➤ To meet short term liquidity mis-match.➤ Loan not to be given for speculative purpose.
5.	Eligibility	<p>Category I: -</p> <ul style="list-style-type: none">➤ All Government /Non-Government employees of reputed private organizations in India drawing salary through our Bank for last 12 months.➤ Staff members of our Bank are not eligible under this scheme. <p>Category - II: -</p> <ul style="list-style-type: none">➤ Existing standard Retail (Home, Vehicle, Mortgage, Personal & Cash Loan) borrower/s. <i>NRI borrower/s under these categories of retail lending are not eligible.</i>➤ Retail loan as mentioned above and availed by applicant/s should not be under SMA-1 or SMA-2 category as on 29.02.2020 or anytime during past 12 months.➤ Minimum repayment period of the retail loan should be 12 months with regular repayment.

		<ul style="list-style-type: none"> ➤ All borrowers/co-borrowers of Home, Vehicle, Mortgage, Personal & Cash loan should compulsorily join as applicant/co-applicant.
6.	Quantum	<p><u>Category -I (Salaried): -</u></p> <p>Lower of A or B</p> <p>A. Maximum Rs.5.00 lakh OR B. 6 times of last credited net salary / Pension</p> <ul style="list-style-type: none"> ➤ Last credited salary should not be older than one month. ➤ Regular salary income / Pension only to be considered for arriving at eligible loan amount. Bonus etc., will not be considered. ➤ Regularity of income to be ascertained by obtaining salary slips for previous three months. ➤ No other income such as rent, agriculture etc. to be considered for computation of loan eligibility. <p><u>Category-II (existing retail loan borrower): -</u></p> <p>Lower of A or B</p> <p>A. Maximum Rs.5.00 lakh OR B. Difference amount of original sanction limit and present outstanding amount of Home, Vehicle, Mortgage, Personal & Cash loan.</p>
7.	Margin	NIL
8.	Rate of Interest	EBLR (floating) with monthly rests.
9.	Repayment tenure	<p><u>Both Categories :</u></p> <ul style="list-style-type: none"> ➤ Maximum Repayment period of 60 Months (inclusive of moratorium of 3 months) ➤ In all the loans, 3 months moratorium period will be given. Accordingly, Monthly interest will be charged and debited to the account but demand will be created after 3 months only. ➤ On commencement of EMI, the total outstanding of loan (Principle + 3 months interest) will be recovered in 57 EMIs. Accordingly, the revised EMI will be communicated to borrower.
10.	Security	<p><u>Category-I - Salaried:</u></p> <p>NIL</p> <p><u>Category-II - existing Retail Loan Borrower/s:</u></p> <ul style="list-style-type: none"> ➤ Extension of Mortgage / hypothecation in case of Home, Mortgage & Vehicle loan borrowers. ➤ Collateral security, if any, held to be extended for proposed loan.

11.	Personal Guarantee	<p>Category-I - Salaried:</p> <p>Personal guarantee of spouse in case of married applicant and either of the parents in case of unmarried /widow/divorcee to be obtained.</p> <p>Category-II - existing Retail Loan Borrower/s:</p> <p>Personal guarantee is to be obtained as per original Home/Mortgage/Vehicle/Personal/Cash loan sanction.</p>																																				
12.	Disbursement	Disbursement by credit to salary account in case of salaried borrower & operative account of retail loan borrower/s with our Bank.																																				
13.	Scheme code	UCPLS																																				
14.	CIBIL score	<ul style="list-style-type: none"> ➤ Minimum CIBIL transunion score of 650 or equivalent from other CICs. ➤ Fresh CIBIL report is to be generated for all, applicant/Co-applicant/Guarantor. ➤ Proposal with CIBIL score below 650 of any of the applicant/s not to be considered. 																																				
15.	Delegation	<p>Branch Heads:</p> <p style="text-align: right;">(Amt. in Crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Scale</th> <th style="width: 33%;"><u>Category-I Salaried</u></th> <th style="width: 33%;"><u>Category-II Existing Retail loan Borrower</u></th> </tr> </thead> <tbody> <tr><td>Scale I</td><td>0.02</td><td>0.02</td></tr> <tr><td>Scale II</td><td>0.04</td><td>0.04</td></tr> <tr><td>Scale III</td><td>0.05</td><td>0.05</td></tr> <tr><td>Scale IV</td><td>0.05</td><td>0.05</td></tr> <tr><td>Scale V</td><td>0.05</td><td>0.05</td></tr> <tr><td>Scale VI</td><td>0.05</td><td>0.05</td></tr> </tbody> </table> <p>CACs:</p> <p style="text-align: right;">(Amt. in Crore)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Committee</th> <th style="width: 33%;"><u>Category-I Salaried</u></th> <th style="width: 33%;"><u>Category-II Existing Retail loan Borrower</u></th> </tr> </thead> <tbody> <tr><td>RLCC II headed by CM/ AGM</td><td>0.05</td><td>0.05</td></tr> <tr><td>RLCC-I headed by AGM/DGM</td><td>0.05</td><td>0.05</td></tr> <tr><td>ZLCC</td><td>0.05</td><td>0.05</td></tr> <tr><td>CAC III/II/I</td><td>0.05</td><td>0.05</td></tr> </tbody> </table>	Scale	<u>Category-I Salaried</u>	<u>Category-II Existing Retail loan Borrower</u>	Scale I	0.02	0.02	Scale II	0.04	0.04	Scale III	0.05	0.05	Scale IV	0.05	0.05	Scale V	0.05	0.05	Scale VI	0.05	0.05	Committee	<u>Category-I Salaried</u>	<u>Category-II Existing Retail loan Borrower</u>	RLCC II headed by CM/ AGM	0.05	0.05	RLCC-I headed by AGM/DGM	0.05	0.05	ZLCC	0.05	0.05	CAC III/II/I	0.05	0.05
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16.	Documentation	As applicable to Union Personal Scheme.																																				

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17.	Processing charges	-NIL-
18.	Other terms and conditions	<ul style="list-style-type: none"> ➤ No deviation to be permitted. ➤ Fresh valuation of security is not required. ➤ Overdue charges to be levied as per extant guidelines. ➤ Loan to be disbursed only after completion of documentation formalities. ➤ DBC to be obtained periodically. ➤ Standing instruction / NACH mandate to be obtained for recovery of loan installments. ➤ Takeover from other banks / FIs not permitted under this scheme. ➤ Undertaking from salaried applicant not to shift salary account during currency of loan (format as applicable to Union Personal Scheme) to be obtained. ➤ Undertaking is to be obtained from borrower/s that title deeds / Charge of vehicle will be released only after repayment of proposed loan along with Housing, Mortgage & Vehicle loan. ➤ Possibility of covering the loan under SUD Loan Suraksha policy to be explored. ➤ All sanction terms and conditions of existing Retail Loan Accounts should have been complied.

- **The scheme shall be effective from 01.04.2020.**
- All field functionaries are requested to effectively market the scheme and ensure timely help to the eligible borrowers.


 General Manager
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