



# **Buyer's Guide – Akshara Group**

## **Buying Tips**



1. When you apply for a loan, it is always advantageous to keep copies of your income proof handy.

If you are a self-employed person and if your income reflects an unusual increase compared to the past, then be prepared with a justifiable explanation to back up the same. The bank or the lending institution would like to find out that such an increase is a permanent increase in your income and not just one-time anomaly which can not only fizzle out but might also be reversed in later years. If the bank is satisfied and convinced with your explanation, then the sanctioning of the loan is facilitated based on the latest higher income in comparison to a lower average income.

2. - When you are going to have a face to face discussion, be sure to carry all your original documents that correspond to the information that you have provided on the application form.

- Do not fake documents and lie about your financial status and details when requested. Home loans are processed only after the banks are sanguine about your credentials.

3. What happens is that many a times the address and telephone verification task is outsourced to small firms with whom the process is not smooth and streamlined well enough in most cases. Hence, once the validation process is underway, be sure to scoop out a little bit of extra time to furnish these details which may be additionally required.

4. Your Loan Eligibility Amount and Final Loan Amount are two separate things. The first one is about the total amount that you are eligible to get. It is the maximum amount of loan that you are entitled to avail. However, it is not necessary that just because you are eligible for a big loan, that you end up borrowing the whole of it. The second one pertains to the amount you want to borrow as loan from the eligible amount that has been sanctioned.

Keep the Sanction Letter safely as this is an important piece of document.

5. Ensure that the rate of interest mentioned and the loan amount on the letter is the same as what was discussed and agreed upon.

- Know that the Home loan rate of interests can always be negotiated. Utilize this information and maximize your position of advantage.

6. Many a times you may be asked by the bank to pay for the legal verification. However, most banks cover the costs in the upfront (processing) fee that you pay. So be aware for what you are paying and if you have already paid for it.

In India, the entire process of property documentation is non-transparent and non-standard. Thus, it is always safe to buy property from a reputed developer as they know the process inside out, and can keep all the documents handy.

As the sale of property involve heavy transfer charges and /or also heavy stamp duties, sometimes some people carry out such proceedings by showing on paper lower consideration than what has been actually agreed for, with the remaining balance being paid in kind or amenities like cash.

Thus based on the choice of the reputed developer, finance institution/ bank and taking the above mentioned facts into consideration, the loan amount may increase. However, they still can provide a smoother, more transparent and streamlined passage for the execution of the entire operation.

**1.** Make sure to give this stage due consideration as it actually lets you know and be sure that your property is legally clear and quality wise it conforms to the technical standards. The inspection by the experts is an added advantage and the bank may charge a small fee for it or which might be already be included in the upfront fee.

**2.** There are some banks which may ask you to directly pay for the valuation cost or charge a special fee to cover these costs; though for most banks, the upfront fee covers these fees as well.

Approach banks which are willing to do the valuation even before the sanction process and before you pay any fee to the bank.

**3.** Be sure to take the cheque on the day the cheque is made because all banks charge interest on the loan from the very day that the cheque has been made and not when it is handed over to you. Hence to avoid unnecessary interest on the loan amount which is quite enormous, take delivery of the cheque on the same day or the next, at the most, when it is prepared.

#### **10.**

- Be sure to ensure that there is sufficient balance in your account to suffice for the EMI and prevent any dishonoring of cheque.
- As per the loan agreement, it is your liability to pay Pre-EMI without receiving any reminder from the bank. Despite the fact that the systems of the banks do not track Pre-EMI payments as effectively as EMI payments, yet it is your responsibility to ensure the payments on time. If they are delayed, you may have to pay a delayed payment charge. Thus, you have to keep track of the number of PDCs given to the bank.
- You will need to submit the demand letter from the builder as and when raised and ensure that the balance disbursement can take place accordingly.
- Be sure to collect the receipt from the builder for the part-disbursement and hand it over to the bank.

#### **11.**

Give yourself time and fill in the loan documents before you sign them. Some columns may have to be kept blank as the exact amounts may not be known, but this should be few. The bank is ideally supposed to return a copy of the loan documents signed by its authorized signatory. However, in practice, this may not always be the case especially if there is no repeated follow up.



Keep photocopies of all documents/letters to the bank/ agreements handy to avoid any misunderstandings later.

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