

Procedure for return of original movable/immovable property documents to the legal heirs in the event of death of mortgagor (Sole/Joint)

In the event of death of mortgagor (sole/joint), the original property documents have to be released in favour of Legal heirs, (or any one of them as mandated by all the legal heirs) after adjustment of loan, on verification of the authority of the legal heirs and proof of the death of the mortgagor. Bank shall release all the original property documents only after full repayment/settlement of all claims/dues outstanding against deceased mortgagor. Legal heirs will be bound by the terms of the sanction and other documents executed by the deceased mortgagor for creation of mortgage of the property in favour of the Bank.

1. Release of original property documents/ title deed to legal heirs without legal representation

For the purpose of release of original property documents/title deed without production of Legal representation, there is no lower or upper limit with regard to loan exposure or value of the mortgaged property. Therefore, if the Incumbent in- charge is satisfied that the legal heirs are identifiable and that there is no dispute amongst them in respect of the claim of property documents which is originally in the name of the mortgagor and deposited by the mortgagor with the Bank, there is no necessity for asking legal representation. The claim can be settled on the basis of Indemnity Bond with surety.

However, confidential enquiry should be made by the branch about the legal heirs of the deceased mortgagor and while doing enquiry, the branch may also consider documents/information pertaining to legal heirs available in the bank record. Keeping in view the outcome of the confidential enquiry, if there appears to be no dispute amongst the legal heirs and all are ready to join in release of property documents, the same may be released in favour of legal heirs against Indemnity Bond with surety (Specimen of the 'Indemnity bond with Surety' are given at Annexure II). In case, legal heirs have given the mandate to the Bank for release of original property documents/ title deed to one of the legal heirs, then letter of authority in this regard may be obtained from all the legal heirs except the legal heir in whose favour mandate has been given.

In the event of death of one (or more but not all) of the joint owner(s) of property/mortgagor, the property documents shall be released jointly to the survivor(s) and the legal heir(s) of the deceased owner of the property (or any one of them as mandated by all of them) against their joint claim on verification of the authority of legal heirs and proof of death of the deceased person/owner(s) of property.

In the event of death of both / all joint owner(s) of the property, the property documents shall be released jointly to the legal heirs of all the deceased owner(s) of the property (or any of them as mandated by all other legal heirs) on verification of authority of the legal heirs and proof of death of the deceased person/owner(s) of the property.

The Claimants shall submit the duly executed application in the format (Annexure –I) prescribed by the Bank along with the following documents, when a claim for the property documents is made by him/her:

- i. Death Certificate Issued by Competent Authority

- ii. Photograph and Proof of identification of Legal heirs viz., Election ID Card, Aadhar Card, Passport, Driving License copy or any other proof of identification acceptable to the Bank.
- iii. Indemnity Bond with surety is required
- iv. Letter of Authority of legal heir(s) wherever applicable

Branch shall obtain receipts from claimant in the format prescribed (Annexure IV). Further, Branch shall obtain letter of authority to receive document in the format prescribed (Annexure III) in case mandate is given by legal heirs, if required.

Letter of Authority duly notarized /attested may be executed by the legal heirs in favour of one of the legal heirs authorizing him/her to lodge claim, execute documents, receive the property documents, etc. However, the branch should verify the identity of the executants of Letter of Authority to its satisfaction before acting thereon.

The Branch should exercise due care and caution in ascertaining the identity of the legal heirs and the fact of death of the mortgagor through appropriate documentary evidence.

2. Release of original property documents to legal heirs on production of legal representation

In case, there is any dispute amongst the legal heirs or all the legal heirs do not join in the claim of original property documents/title deeds and/or in indemnifying the bank or if the claimant (s) is not willing to provide third party indemnity/ surety or in any other case where there is reasonable doubt regarding the authenticity of the claimant(s) of their being the only legal heir(s) of the deceased mortgagor, Legal Representation shall be asked from the claimants.

When a Legal Representation/Court order is produced, Bank is bound to release property documents to the persons mentioned therein as per terms of legal representation after complying with all the formalities prescribed by the Bank. Bank gets valid discharge by releasing the property documents in favour of such persons.

The Claimants shall submit the duly executed application in the format prescribed by the Bank (Annexure I) along with the following documents, when a claim for the property documents is made:

- i. Death Certificate Issued by Competent Authority
- ii. Legal Heirship Certificate/ Succession/Probated Will, provided by a competent authority as per Succession Law to ascertain the identity of legal heirs
- iii. Photograph and Proof of identification of Claimant viz., Election ID, Card, Aadhar Card, Passport, Driving License copy or any other proof of identification acceptable to the Bank.

It is clarified that no Indemnity Bond or surety is required in this case. Branch shall obtain receipts from claimant in the format prescribed (Annexure IV).

The release of original movable/immovable property documents will be done within 30 days as per the RBI Direction. If any delay or non-submission of relevant documents on the part of the legal heirs/claimants/co-mortgagor in the contingent event of demise of mortgagor, the reason for such delay will be communicated and the delay days will not be calculated for the above 30 days' calculation.