

CIRCULAR NO.922

Sub: Adjustment of Upfront fee out of proposed eligible release
and renaming of LAFD & Upfront fee.

As per the present norms, upfront fee is to be paid by the promoters / borrowers before considering first release of loan. There were some instances wherein upfront fee was adjusted out of proposed eligible release. In order to bring in uniformity in the manner in which upfront fee is to be collected, a proposal was placed before the Board for renaming the LAFD as “processing fee” and upfront fee as “one time disbursement fee” and to adjust the upfront fee out of proposed eligible first release. The Board in its meeting held on 30.09.2010 has accorded its approval on the above proposal.

Accordingly, the LAFD and upfront fee stand renamed as “processing fee” and “one time disbursement fee” respectively. Further, the one time disbursement fee (upfront fee) may be adjusted out of proposed eligible first release of loan with the explicit written consent of promoter / borrower.

The contents of this circular shall be brought to the notice of all the concerned in your office / department.

Sd/-
CHAIRMAN & MANAGING DIRECTOR

To :

All BMs
All ZMs / DGMs of Super `A' Branches / IA cells
All Principal Officers / Section Heads in HO
All General Managers
Library

Executive Directors – for information.