



Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans

As per RBI Guidelines, Asset Reconstruction Companies are required to frame procedure for release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans (as defined hereinafter).

Company / Phoenix: Company / Phoenix shall mean Phoenix ARC Private Limited

Personal Loans: Personal Loans refers to loans given to individuals and consist of (a) consumer credit, (b) education loan, (c) loans given for creation/ enhancement of immovable assets (e.g., housing, etc.), (d) loans given for investment in financial assets (shares, debentures, etc.) and (e) gold loans, vehicle loans etc.

Effective Date: This procedure shall be applicable to all cases where release of original movable / immovable property documents falls due on or after December 1, 2023.

Procedure / Process:

1. Phoenix shall release all the original / certified, movable / immovable security documents and initiate steps for removal of charges registered with any registry within a period of 30 days after full repayment of outstanding dues / settlement amount of the loan account.
2. The option shall be given to the borrower for collecting the original movable / immovable security documents either from the Registered Office of Phoenix / Office of the Collection Agent or any other place where the documents are available, as per her / his preference.
3. The timeline and place of return of original movable / immovable security documents shall be mentioned in the sanction letters, settlement letters, No Due Certificates or any other documents as may be issued/executed by Phoenix.
4. In case of demise of the sole borrower / joint borrowers / mortgagor / joint mortgagor / any other security provider, the Phoenix shall adopt following procedure for return of original movable / immovable security documents to the legal heirs:
 - a. Prior to hand over of the movable / immovable property documents to the legal heir of the borrower / joint borrowers / mortgagor / joint mortgagor / any other security provider, Phoenix shall ascertain identity of such legal heir by obtaining legal heir certificate / succession certificate / testamentary certificate and undertaking from the legal heir.
 - b. In case of more than one legal heir of the borrower / joint borrowers / mortgagor / joint mortgagor/ any other security provider, the legal heirs amongst themselves shall designate one of them as designated legal heir for collection of documents pertaining to movable / immovable securities. An undertaking to that effect along with legal heir certificates shall be obtained from all the legal heirs.



Provided that the period of 30 days for release of all the original / certified, movable / immovable security documents after full repayment of outstanding dues/ settlement amount of the loan account shall commence only on receipt of necessary documents mentioned in sub-clause a and b above

Compensation:

1. In case of delay in releasing of original movable / immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment of outstanding dues / settlement amount of loan, Phoenix shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the Phoenix, Phoenix shall compensate the borrower at the rate of ₹5,000/- for each day of delay.

Provided that if the original movable / immovable property documents are deposited in any court / tribunal and / or any regulatory/judicial/quasi-judicial authority, then the 30 days period available to the Phoenix to complete this procedure will be calculated from the date of release of the documents from such court / tribunal and / or any regulatory/judicial/quasi-judicial authority.

2. In case of loss/damage to original movable / immovable property documents, either in part or in full, Phoenix shall assist the borrower in obtaining duplicate/certified copies of the movable / immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at above. However, in such cases, an additional time of 30 days will be available to the Phoenix to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
3. The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.