

Procedure for returning of original property documents to the legal heirs of the deceased w.e.f. 01/12/2023

(Ref.: RBI/2023-24/60 DoR.MCS.REC.38/01.01.001/2023-24 dated September 13, 2023)

In the course of availing finance from bank, borrower's/guarantor's assets may remain in possession of the bank even after closure of the loan account. So long as the customer is alive, he/she or his/her authorized representative can claim the assets back from the bank giving a valid discharge. However, upon the death of the borrower, it is his/her legal heirs who are entitled to receive the property/assets documents remain in possession of the bank even after closure of the loan account.

Therefore, the following procedures are to be followed by the claimants/ legal heirs in case of the death of the mortgagor of the property/assets to the bank.

The claimant/s has/have to submit the followings documents to the bank/branch where the property /assets documents are held.

Documentation to be submitted:

1. An application to the bank in the prescribed format
2. Proof of death of borrower/Property Holder (i.e. Death Certificate of deceased Mortgagor)
3. Copy of evidence proving his/her identity as legal heirs (Succession Certificate/ Probate/ Will/ Letter of Administration etc.)
4. Identity Proof of Legal heirs (KYC)
5. Affidavite cum indemnity bond on a stamp paper of requisite value
6. Consent Letter/Authority Letter (To be taken only in case property document given to one claimant out of more than one claimant)

The legal heir will have to file the claim papers with the branch where loan documents are held. All authorized officers can settle the said claim as per the laid down procedure and within the extant guidelines of the bank. The branch shall maintain a register to record all such claims and follow up.