



eCircular

Department: PBU-PERSONAL LOANS

Sl.No.: 1682/2019 - 20

Circular No.: NBG/PBU/PL-PENSION/79/2019 - 20

Date: Wed 4 Mar 2020

The Chief General Manager,
State Bank of India,
Local Head Office,
All Circles.

Madam / Dear Sir,

PERSONAL BANKING ADVANCES
PENSION LOAN SCHEME
MODIFICATIONS

The competent authority has approved the modifications under pension loan scheme which are given hereunder:

S. No	Parameter	Extant Norms	Modifications
i.	Repayment Period (for all categories of Pensioners)	Pension Loan Scheme <ul style="list-style-type: none">Upto 72 years of age- 60 months72-74 years of age- 48 months74-76 years of age- 24 months subject to full repayment of loan by 78 years of age. Jai Jawan Pension Loan (For Regular Defense Pensioners) <ul style="list-style-type: none">Upto 56 years of age- 84 months56-72 years of age- 60 months72-74 years of age- 48 months74-76 years of age- 24 months subject to full repayment of	Repayment period for all categories of Pensioners <i>has been restricted to</i> maximum 72 months, subject to full repayment of loan by 78 years of age.

S. No	Parameter	Extant Norms	Modifications
		loan by 78 years of age.	
ii.	Second Loan (Top-up Loan)	Our Bank gives a top-up loan (Second loan) on Pension loan only after the satisfactory track record of 1 year of the existing Pension Loan.	<ul style="list-style-type: none"> The minimum requirement of 1 year has been done away with, subject to EMI/NMP ratio not exceeding 50% (33% in case of family pensioners). Customer may opt for a second loan or may close the existing loan and open a new loan with enhanced limit but there should not be more than 2 Pension Loans at a time against 1 PPO.
iii.	Authorized Branch	<p>For Defense & Paramilitary Pensioners: Loan can be sanctioned at home branch or if he/she is reemployed at any branch at his place of present posting (proof of re-employment and work place has to be submitted).</p> <p>For all other Pensioners: Loan can be sanctioned at Home branch (Pension paying branch) only.</p>	<ul style="list-style-type: none"> For all Regular/ Family Pensioners maintaining their PPO with our Bank: Loan can be sanctioned at home branch (Pension paying branch) or any branch nearby his/ her place of present posting/ residence. The loan account as stated above should only be created under the CIF on which Pension Payment account exists and branch should obtain the proof of address of present posting/ residence. For other categories of Pensioners: The loans to be sanctioned at Home branch (Pension paying branch) only as per extant instructions.
iv.	Third Party Guarantee	Obtention of Third Party Guarantee is mandatory under Pension Loans for all Pensioners	<ul style="list-style-type: none"> The requirement of third-party guarantee has been waived for <u>Regular Pensioners</u> (including SBI Regular Pensioners) whose PPOs are already maintained by our Bank, subject to Pension Account being KYC Compliant with Mobile Number registered in CBS. For all other Pensioners, Third-party guarantee will remain mandatory.

Please advise all the Operating Units under your control to be guided accordingly.

Yours faithfully,

--Sd--

(Ajay Kumar Khanna)

Chief General Manager (PB)