

Procedure for return of original movable/immovable property documents to the legal heirs.

| S. No. | Title | Description |
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| 1. | Preamble | On death of the borrower, the outstanding of the bank in the loan accounts is being repaid by the legal heirs of account holder(s). The cases where bank has obtained security in the shape of hypothecation /pledge /mortgage of movable /immovable assets, the legal heirs of deceased require release of security on closure of account(s). Keeping in view the importance of same, the guidelines pertaining to same are appended below. |
| 2. | Classification of Borrower(s) | <ol style="list-style-type: none"> 1. Individual Accounts 2. Joint accounts 3. Proprietorship firm 4. Partnership firm 5. Hindu Undivided Family 6. Societies ,Trusts and Companies |
| 3. | Legal heirs of Deceased | <p>In India, there are different personal laws and many statutes governing the issue of marriage, divorce, and succession. Over matters such as insurance, inheritance, identifying legal heir is important as they are the ultimate successor over the property under inheritance and also over insurance claims. Under common law, an heir is an individual appointed by law to succeed to the estate of an ancestor who died without a will. The term legal heir is commonly used to refer to a person who succeeds to property, either by will or law.</p> <p>1. Legal heir under Hindu personal law: Heir means any person, male or female, who is entitled to succeed to the property of an intestate (person dying without declaring a will). For a male Hindu, here is an explanation of who is a legal heir along with their succession rights over the property. The property of a male Hindu dying intestate shall firstly go to the heirs, being the relatives specified in class I of the Schedule of Hindu Succession Act. Here is the list of legal heir under the Hindu personal law.</p> <p>Article 25 (2) (b) of the Constitution of India stipulates that “the reference to Hindus shall be construed as including a reference to persons professing the Sikh, Jain or Buddhist religion.”</p> <p>(1) Son, (2) Daughter, (3) Widow (4) Mother (5) Son of a pre-deceased son (6) Daughter of a pre-deceased son (7) Son of a pre-deceased daughter (8) Daughter of a pre-deceased daughter (9) Widow of a pre-deceased son (10) Son of a pre-deceased son of a pre-deceased son (11) Daughter of a pre-deceased son of a pre-deceased son (12) Widow of a pre-deceased son of a pre-deceased son.</p> <p>The inheritance of the property shall take simultaneously and to the exclusion of all other heirs. Who are the legal heirs when there is no surviving heir from the list above: In such situations, the legal heirs are</p> |

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| | | <p>listed in Class II of the Hindu Succession Act. If there is no heir of class I, then the property goes to the heirs, being the relatives specified in class II of the Schedule of Indian Succession Act.</p> <p>Heirs under class II are, Class II: I 1. Father. II 1. Son's daughter's son, 2. son's daughter's daughter, 3. brother, 4. sister. III. 1. Daughter's son's son, 10 2. daughter's son's daughter, 3. daughter's daughter's son, 4. daughter's daughter's daughter. IV 1. Brother's son, 2. sister's son, 3. brother's daughter, 4. sister's daughter. V. 1. Father's father 2. father's mother. VI 1. Father's widow 2. brother's widow. VII 1. Father's brother 2. father's sister. VIII. 1. Mother's father 2. mother's mother. IX 1. Mother's brother 2. mother's sister.</p> <p>The rule for succession is, those in the first entry in class II shall be preferred over those in the second entry, those in the second entry shall be preferred to those in the third entry, and so on in succession and shared equally among the sub-classes. Legal heir of a female Hindu Here is a list of legal heir of a female Hindu under the succession law. The property of a female Hindu dying intestate shall devolve, 1. Firstly, upon the sons and daughters (including the children of any pre-deceased son or daughter) and the husband, 2. secondly, upon the heirs of the husband, 3. thirdly, upon the mother and father, 4. fourthly, upon the heirs of the father; and 5. lastly, upon the heirs of the mother. 6. Any property inherited by a female Hindu from her father or mother devolves, in the absence of any son or daughter of the deceased (including the children of any pre-deceased son or daughter) upon the heirs of the father. 7. Any property inherited by a female Hindu from her husband or from her father-in-law devolves, in the absence of any son or daughter of the deceased (including the children of any pre-deceased son or daughter) upon the heirs of the husband.</p> |
| 3. | Process to Release property to legal Heirs | <p>In the event of demise of the sole borrower or joint borrowers, the Branch shall return the original movable / immovable property documents to the legal heirs. The following documents must be obtained from legal heirs :-</p> <ol style="list-style-type: none"> 1. Affidavit (preferably attested by first class magistrate) be obtained from the legal heirs duly witnessed by the Village Sarpanch/Municipal councilor confirming that there is no other legal heir except persons requesting release of property/security. 2. The KYC of the legal heirs be completed as per banks prescribed policy guidelines and preserved on records. <p>However, branches may opt for legal succession certificate, where all the legal heirs cannot join or in cases where there is any dispute among the legal heirs. Otherwise, securities may be released to all the legal heirs against proper receipts.</p> |