



आन्ध्र बैंक ANDHRA BANK
(भारत सरकार का उपक्रम)
(A Govt. of India Undertaking)
प्रधान कार्यालय Head Office
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AB Connect

NRI

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WE HAVE COMPLETED TOTAL COMPUTERISATION OF 753 BRANCHES COVERING 70% OF OUR TOTAL BUSINESS AS ON 30/09/2008 UNDER CORE BANKING

LATEST INTEREST RATES ARE GIVEN BELOW. THESE INTEREST RATES TEND TO CHANGE NORMALLY ON THE LAST WORKING DAY OF EVERY MONTH AND ANY TIME WITHOUT ANY NOTICE WHEN RBI TAKES DECISION TO CHANGE THE RATES

INTEREST RATES ON FCNR DEPOSITS w.e.f 01/12/2008						INTEREST RATES ON NRE TERM DEPOSITS w.e.f 01/12/2008	
Currency	1 Year & above to < 2 Years	2 Years & above to < 3 Years	3 Years & above to < 4 Years	4 Years & above to < 5 Years	5 years	Period	Rate of Interest (%) p.a.
USD	3.77	3.12	3.39	3.64	3.82	A) 1 year and above less than 2 years	4.52
GBP	5.12	4.20	4.39	4.57	4.70		
EURO	4.96	4.11	4.21	4.32	4.43	B) 2 years and above less than 3 years	3.87
CAD	4.01	2.78	3.00	3.19	3.35		
AUD	6.13	4.96	5.39	5.68	5.77	C) 3 years and above	4.14

Dear Readers,

In this bulletin we provide you the information on Housing Loans to NRIs. The bulletin covers the eligibility norms, Documents to be submitted, Interest rates and other information relevant to these Loans.

CUTS

INTEREST RATE

CUTS

- ✚ European Central Bank, Britain and Sweden made big cuts in interest rates on 4/12/2008 to shore up their sagging economies across Europe
- ✚ ECB Slashed 75 basis points to 2.50%
- ✚ Bank of England reduced interest rates by 100 basis points to 2.0%
- ✚ Sweden's Riks Bank chopped their interest rates by 175 basis points to 2.0%
- ✚ New Zealand cut the rate by 150 basis points
- ✚ Earlier US Federal Reserve has reduced its key rate by 400 basis points this year taking the rate to a historic low range of zero to 0.25%

FOREX MARKET UP-DATE

Movement of Rupee from 01.11.2008 to 5.12.2008

USD/INR	Open	High	Low	Close
	49.10	50.57	46.70	50.07

Rupee lost its strength almost one rupee during the period of review. The rupee strengthened up to 46.70 due to good capital inflows and unwinding of positions and Interest rate cuts and stimulate packages announced by Central Banks world over. But could not retain the strength for a long as the concerns of recession grew. Rupee reached the lowest of the month i.e. 50.57 but could gain again its strength after Federal Reserve of US stepped in and announced certain stimulus measures. However rupee closed at 50.07 against US \$ on 05/12/2008

So far in 2008 the rupee has depreciated over 26 percent against the dollar as FIIs pulled out money from Indian stock markets to meet the requirements in their home markets. So far FIIs are net sellers to the tune of \$13.63 billion in the year 2008.

In 2008, the rupee is the fourth severely affected currency against the dollar after the Korean won, Indonesian Rupaiah, and the Pakistan Rupee.

SALIENT FEATURES OF THE HOUSING LOAN SCHEME TO NRIs

1.Purpose of Loan	For purchase/construction, repairs/renovation of House/Flat
2.Eligibility	Non Resident Indians with minimum one year of abroad service between the age of 21 years to 65 years
3.Amount of Loan	<p>Maximum of</p> <p>-- Rs 25 lakhs in Rural and Semi urban areas.</p> <p>-- Rs 100 lakhs in Urban and Metro Areas.</p> <p>Subject to 4 times Gross annual proven income (48 times Gross monthly salary income) -(50% of expected rent will be added to the applicant's income to arrive at the eligible loan amount.) or 75% of cost of construction, whichever is less.</p> <p>Loans beyond 100 lacs may also be considered for sanction basing on the need/eligibility.</p>
4.Papers to be submitted	<ol style="list-style-type: none"> 1) Prescribed application (which may be down loaded from our site) duly filled in. 2) Property statements of applicants and co-obligant. 3) Location sketch of the proposed house/flat. 4) Minimum of 12 post dated cheques. <p>IN CASE OF PURCHASE</p> <ol style="list-style-type: none"> 1) Agreement for sale between vendor and purchaser 2) Name and address of the vendor 3) Copies of documents of title to the property and link documents in possession of the vendor along with tax receipts 4) Authorization letter to receive original title deeds on registration from Registrar of Assurances. 5) Receipt of delivery issued by Registrar of Assurance to deliver the original title deeds. 6) Original receipts for the payment to builder/vendor 7) Copy of the approved plan and a letter from the vendor about the age of the house/flat <p>(The age of the house should be below 25 years in case of independent house or 20Years in case of Flat/Apartment)</p> <ol style="list-style-type: none"> 1) Certificate from the Approved Engineer about Present value, condition and life of the house/flat. 2) Original deed of conveyance of land, conveying the individual / proportionate share of land along with agreement for construction. 3) Lay out approval Plan. <p>IN CASE OF CONSTRUCTION:</p> <ol style="list-style-type: none"> 1) Copy of the approved plan. 2) Detailed estimate of construction

	3) Allotment letter of the house/flat issued by the Housing Board. 4) Copy/original title deeds of the site 5) Development Agreement between the owner of the site / Builder 6) NIL Encumbrance Certificate for a minimum period of 13 years. 7) Any other document stipulated by Legal Advisor / Sanctioning Authority		
5.Proof of Income	Employees		Prof. & self employed
	Last pay certificate, Form 16 issued by the employer/ IT Returns/ Assessment orders		Income proof for the last 3 years supported by financial statements signed by Chartered Accountant - income tax returns /assessment orders
6.Margin	25% of construction cost or registration value of the flat. (The cost of land standing in the name of the applicant can be treated as margin) 15% in the case of out-right purchase.		
7.Processing charges	QUANTUM OF LOAN	PROCESSING CHARGES	ADMINISTRATIVE CHARGES
			Per Quarter per account
			Per Annum per account
	Up to Rs. 10.00 lacs	0.50 % of loan amount subject to a maximum of Rs.10,000/-	Rs. 100/-
Above Rs. 10.00 lacs & Upto Rs.15.00 lacs	Rs. 150/-		
Above Rs. 15.00 lacs	Rs. 250/-		
9.Additional Documents to be submitted by NRIs	1) Status of the applicant - NRI / Person of Indian Origin 2) Passport - Date of issue, due date, endorsements 3) Status and due date of VISA 4) Work permit in the Country of stay 5) Copy of agreement with the present employer 6) Proof of Income through Salary Certificate, Income Tax returns 7) Naturalization process 8) Transaction being conducted by him personally or through a resident Indian Power of Attorney holder Undertaking-cum- declaration that the loan shall not be utilized for acquisition of Agricultural / plantation /farmhouse in India and that he is eligible to acquire immovable property in India in terms of FEMA 99 and rules and regulations there under.		
Co-obligant & Co-applicant	1.Co-obligation/Guarantee of third party acceptable to the Bank 2.Spouse should be co-applicant		

Execution of Documents	<p>Issuance of PA:</p> <p>1) Abroad, it should be attested by Indian Consulate/ High Commissioner and registered in India within THREE months.</p> <p>2) India: it should be registered</p> <p>It should be a specific PA to execute the documents including the power to mortgage the property and to execute Debt Acknowledgement</p>		
Repayment	Maximum 20 years excluding gestation period payable in monthly installments (EMI)		
Mode of Repayment	The Mode of Repayment is subject to certain terms and conditions stipulated by RBI from time to time. Loans can be repaid by the borrower by way of inward remittance through normal banking channel or by debit to NRE/FCNR (B)/NRO account or out of rental income derived from renting out the property. Loans can also be repaid by the borrower's close relative through their account in India by crediting the borrower's loan account.		
Prepayment charges.	2% flat on the prepaid amount for all the loans where the repayment fixed is beyond 36 months. Prepayment charges will be levied on Installments paid ahead of repayment schedule.		
Interest Rates	The rates prevailing are only Floating rates of interest and linked with Bench Mark Prime Lending Rate (BMPLR). The present rates of interest for loans		
	Period	BMPLR of our Bank is @13.25% p.a. with effect from 10/11/2008	
		Rate of interest	EMI
	Upto 5 years	11.25% (BMPLR- 2.00%)	Rs.2187
	Above 5 to 10 years	11.50% (BMPLR-1.75%)	Rs.1407
	Above 10 years	11.75% (BMPLR-1.50%)	15 Years - Rs.1184
20 years - Rs.1084			
FOR REPAIRS (Except the following all other conditions as illustrated above will apply)			
Quantum of Finance	<p>Depending on the age of the House / flat</p> <p>Up to 5 years : Rs.2.00 lakhs</p> <p>Above 5 a& Up to 25 years : Rs.8.00 lakhs</p>		
Margin	25% of the estimated cost of repairs / renovation		

SNIPPETS**SNIPPETS****SNIPPETS****MINISTRY OF OVERSEAS INDIAN AFFAIRS 12 HOUR HELPLINE FOR OVERSEAS INDIAN WORKERS-COUNSELLING SERVICES IN SEVEN LANGUAGES:**

Overseas Resource Centre (OWRC) has been set up to render counseling assistance to Overseas Indian Workers and those desirous of going abroad for employment. The OWRC functions with a toll free Number "1800 11 3090" accessible from anywhere in India for rendering help to the emigrant workers from 10 a.m. to 10 p.m. seven days a week

G-sec Market

The sovereign bond market got huge impetus in the form of CRR cut and Repo rate cut of 100 basis points and 50 basis points respectively from the central bank on 01.11.2008. This made the yields started softening across the curve. The yield on 10-year benchmark softened by more than 50 basis points during the month on the expectations of further rate cuts from the central bank. Following are the levels of 10-year benchmark yield in month of November'08.

Open - 7.4953% Close-7.0720%
High - 7.7644% Low -7.0362%

Bullion Market In the context of global down trend, the yellow metal is no exception with alternate bouts of strength and weakness. The inflationary pressures of the recent past helped the spike in the prices of gold while the fears of a global recession / depression drove down the prices. The effect of the liquidity infusing measures of the Central banks, the massive cut in interest rates globally and a general hedge against inflation, gold may witness investment interest albeit, cautiously. During November'08 Gold opened at \$ 734 per troy Ounce and Closed at \$ 814.50 per troy ounce.

Stock Market

Tracking the global financial markets, the Indian bourses traded choppily during November, 2008. The BSE Sensex traded a high of 10945 and a low of 8316 before closing at 9093.

WISH YOU A HAPPY CHRISTMAS AND NEW YEAR

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