

## **SCHEME FOR FINANCING LOAN FOR FARM HOUSE CONSTRUCTION**

➤ **PURPOSE:**

- a. Construction of farm structures on agriculture land to facilitate the agriculturist/ farmer to meet the requirement of utility unit for covering the requirement like livestock shed, drying yard, grading/ sorting yard, processing shed, storage unit for farm produce, farm machinery and implements/ equipments etc. as well as dwelling structure.
- b. For repair of existing farmhouse structure.

➤ **ELIGIBILITY:**

- a. Fresh as well as existing borrowers who are owner cultivators are eligible. Existing borrower shall have satisfactory track record of 3 years with the bank. In case of fresh borrower, KCC should also be sanctioned along with Farmhouse loan and entire land be mortgaged in favour of Bank.
- b. The proposed plot/ land portion should have independent approach/ access.
- c. In case of existing borrower no overdue in any loan should exist.
- d. The applicant should have adequate utility for the proposed construction.
- e. Co- obligant may be taken to arrive at eligibility.
- f. Repayment of loan along with interest should not extend beyond 70 years of age. In case the loan is allowed to joint owners, it should be ensured that at least one of the joint owners should be able to repay the loan along with interest maximum up to the age of 70 years.
- g. Applicant should have sufficient disposable income from agricultural activities and other sources.
- h. Existing/ future/ allied agriculture activity should not be hindered by the constructed structure.

➤ **EXTENT OF LOAN:**

- a. FOR CONSTRUCTION OF FARMHOUSE: Need based loan depending upon the project cost and repaying capacity of the borrower subject to maximum ceiling of Rs. 15.00 Lacs.
- b. FOR REPAIR OF EXISTING FARMHOUSE STRUCTURE: Loan for repair of existing structures will be capped at a limit of Rs. 5.00 Lacs

**NOTE:**

- a. The total quantum of loan including the loan for repair will be within the maximum limit of Rs. 15.00 Lacs.
- b. Quantum will be decided on the basis of the income flow and repayment capacity of borrower. Difference between the project cost and eligible loan amount will be borne by the borrower.
- c. Net Take Home (NTH) should be 40% of gross annual income at the time of applying for loan (after meeting the installment for the proposed loan under this scheme) with a minimum of Rs. 1.50 Lacs/-p.a.

➤ **MARGIN:** 20% of the estimated cost of construction/ repair.

➤ **REPAYMENT:**

- a. For Construction: Maximum 20 years or 70 years of age of the borrower whichever is lower
- b. For repairs: Maximum for a period of 5 years or 70 years of age whichever is lower.