

# SBI BUILDER FINANCE

The image features the text "SBI BUILDER FINANCE" in a bold, dark blue, sans-serif font, centered horizontally. The text is reflected on a light blue horizontal band. The background is a bright blue sky with soft white clouds. On the right side, a tall, multi-story brick building is visible. At the bottom, a blurred city skyline is shown in a light, hazy tone.

# SBI BUILDER FINANCE

**SBI provides Builder Finance in following two ways:**

1. SBI Asset Backed Loan For Residential Housing (ABL RH)
2. Builder Finance for Residential Housing Projects
3. SBI Asset Backed Loan For Commercial Real Estate (ABL CRE-CP)

# SBI Asset Backed Loan For Residential Housing (ABL RH)

## Salient Features:

- **Target Group:** Proprietorship/Partnership/Company.
- **Type of loan:** Dropline Overdraft facility
- **Purpose:**  
Creation/acquisition of Residential Real Estate
- **Eligible Customers:**
  - Existing Customer already availing credit facilities from us.
  - New units with marketable assets to offer as security.
  - Takeover of existing units from other Banks/ FIs with satisfactory track record. (Credit Information Report to be obtained)
- **Loan Amount:**  
Min.: Rs 50 lacs; Max.: Rs 100 Crores
- **Nature of facility:** Fund Based And Non-Fund Based

- **LTV%:** Immovable property : 60% of the realizable value
- **Margin Required:** Margin should be minimum 25% of the deficit as Project Cash Flow .
- **Rate of int.:** MCLR 8.15% + 3.05% = 11.15%
- **Repayment:**

Drop-line Overdraft:

- Limits can be sanctioned for period of 12 months to 84 months, including the moratorium period, with either Equated Reduction in limit or customized reduction in limit depending upon the cash accruals as per projections, size of the project and date of completion of the project. Interest to be serviced monthly in case of moratorium.
- The drawing power shall be reduced so as to have the overdraft liquidated at the end of the period.
- Regular transactions are permitted up to drawing power available.
- No over-drawings permitted.
- DSRA equivalent to 3 months instalments & interest to be built up during moratorium period

- **Security Collateral:**

- Immovable property in the form of E.M/R.M of land and building, by way of first charge to the unit, its proprietor/partners/directors or their near relatives
- Immovable property (compliant under SARFESAI Act) standing in the name of Associate/Group companies/Joint Venture Holders can also be taken as security subject to compliance with Company's Act. Legal Opinion in such cases may be vetted by the Law Officer at ZO/LHO.
- Leased property can be taken subject to conditions
- No Second charge or Pari-Passu charge will be extended for other Bank/FI.
- Security provided as collateral should not be linked with other loan/liabilities i.e collateral property should be exclusive to ABL-RH
- Property mortgaged needs to be within the corporation/Municipal limits of centers with Population of 1 lac and above but within a radius of 25km from the branch, wherein account is maintained. (Deviations available on case to case basis)



- **Processing charges:**  
Upfront fee: 1% of the limits . Rs.10 lacs cap upto 50 crs & Rs.20 lacs above 50crs.
- **Valuation of property:**  
Valuation Report from two empanelled valuers ( As per latest Bank Instruction)  
The valuation of tangible collateral security refers strictly to realizable value of landed property.
- **Undertaking from the borrower:**  
Yearly affidavit should be obtained from the borrower stating that funds have been / will be utilized for the project for which ABL has been sanctioned and not used for speculative purpose like investment in stock market, acquisition/ development of land etc., or for any activity not permitted by law.
- **Pre-payment penalty:**  
2% of the drawing power. (In case of pre-payment / pre-closure from internal accruals pre-payment / pre-closure penalty will not be levied.)
- **Penal interest:**  
2% of outstanding amount, if overdue by >7 days

### USPs

- Low interest rate : MCLR 8.15% + 3.05%
- No renewal of limit. Review has to be carried out annually.
- Loan proposal to be linked with the generation of cash flow.
- Existing term loan or cash credit can be converted into ABL subject to certain criteria related to Cash flow, security coverage, TEV study and loan amount.

# Builder Finance for Residential Housing Projects

- Normal Project Finance to a Builder is done on the basis of their projected cash flow.
- We finance the available gap in the funding pattern of the builder.
- The gap is basically the difference between the projected cost and the booking advances.
- The gap is financed by the Bank as well as the Builder's own funds.
- The Bank finances up to 70% maximum of the gap.
- The Bank generally considers the Builders as large or small, depending on the area of construction undertaken by the builder.
- We always explore collateral to a certain percentage under this scheme.
- All Builder Finance is governed by strict DCCO (Date of Commencement of Commercial Operations) rules.
- Rate of interest depends on CRA done on the Audited/Estimated/Projected Balance Sheet.

- Eligibility –

Loan Amount	ECR	New	Existing
Rs10 Crs to Rs.100 crs	Min BB BBB & Better	SB-5 SB-7	SB-7 SB-9
Above Rs.100 Crs	BBB & Better	SB-7	SB-9

- DSRA equivalent to 3 months instalments & interest to be built up during moratorium period
- Appointment of Lenders Independent Engineer (LIE)
- Tenure- C.C if loan is to be closed with 36 months from disbursement
- Above 36 months maximum upto 84 months treatment as Term Loan.
- Routing of Sales through ESCROW from RERA A/c to ensure banks first charge
- In case primary security can not be charged to bank 150% collateral security will be required for loan upto Rs.25 crs and 12% above Rs.25 crs.
- Interest concession offered based on home loan penetration in the Project.



# SBI Asset Backed Loan For Residential Housing (ABL RH)

- **Target Group:** Proprietorship/Partnership/Company
- **Purpose:** Creation/acquisition of real estate such as office buildings, retail space, industrial or warehouse space, multiplex, hotels, restaurants, gymnasium, amusement parks, cold storage etc. where the prospect for repayment would generally be lease or rental payment or sale of asset. For both working capital (including pre-operative expenses) and fixed asset.
- **Nature of facility:** Dropline OD facility
- **Loan Amount:**  
Min.: Rs 50 lacs; Max.: Rs 100 Crores
- **LTV :** Immovable property : 50% of the realizable value
- **Repayment :** Limits can be sanctioned for period of 12 months to 72 months, including the moratorium period, with either Equated Reduction in limit or customized reduction in limit depending upon the cash accruals as per projections.

- Security:
- **Collateral:**
- Immovable property in the form of Equitable/ Registered Mortgage of land and building, by way of first charge.
- Industrial property both leased & freehold / land/plot cannot be taken as security for ABLCRE-CP.
- Leasehold property can be taken subject to the conditions
- Property with Power of Attorney not permitted
- No Second Charge or Pari-Passu charge will be extended for other Bank/FI.
- Further, Security which will be provided as collateral should not be linked with other loan / liabilities i.e. collateral property should be exclusive to ABLCRE-CP. Confirmation to this effect should be recorded in the proposal.
- Facility is available only against the mortgage of SARFAESI Compliant immovable property.
- Processing Charges- 1% of the limits (Upper Cap: Rs.10 Lacs)

Thank You...

