

 ఆంధ్ర ప్రదేశ్ గ్రామీణ బ్యాంక్ Andhra Pragathi Grameena Bank PERSONNEL & HRD DEPARTMENT KADAPA	CIRCULAR NO.: 282-2021 INDEX : BC-PHRD DATE : 09.11.2021
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Revision in “Pragathi Senior” loan scheme

Ref: Cir No: 122-2019-BC-CD Dt: 12.06.2019

- Revision in “Pragathi Senior” loan scheme guidelines
- Modifications includes
 - Reduction in Interest rates,
 - Increase in the loan quantum,
 - Revision in Delegation of Sanctioning Powers
 - Relaxation in cutback norms.
- Circulation of the Revised “Pragathi Senior” loan scheme with suitable modifications.

Attention of the Branches/Regional Offices is invited to the cited circular wherein the scheme guidelines of Pragathi senior loan scheme are circulated. The scheme was launched with an objective of meeting the bonafide personal credit requirements of retired staff of our bank who are drawing pension from our bank account. Considering the increased costs of consumables and medical expenditure with the current market scenario, our bank has revised “**Pragathi Senior**” scheme guidelines. These set of guidelines are broadly in line with the contours of the existing “Pragathi senior” loan scheme, with suitable modifications.

Revised scheme guidelines of “**Pragathi Senior**” loan scheme are as under

Sl. No.	Particulars	Scheme guidelines
1	Product code	6250-5006
2	Purpose	Any bonafide personal credit requirement
3	Nature of facility	Demand Loan
4	Classification	Non-Priority Sector
5	Eligibility	The retired pensioners of APGB who are in receipt of Regular pension & whose pension is being routed through accounts held with our bank
6	Quantum of loan	<p>Minimum loan limit should be Rs.50,000/-</p> <p><u>Upto 65 years of age:</u> 15 times of the Gross monthly pension subject to a maximum of Rs.5.00 lakhs.</p> <p><u>Above 65 years to 70 years:</u> 12 times of the Gross monthly pension subject to a maximum of Rs.3.00 lakhs.</p> <p><u>Above 70 years:</u> 5 times of the Gross monthly pension subject to a maximum of Rs.1.00 lakh.</p>
7	Rate of Interest	10%

Sl. No.	Particulars	Scheme guidelines
8	Penal Interest	+2% on the applicable rate of interest
9	Release schedule	The Loan amount shall be released directly by crediting to the SB account of the Pensioner
10	Repayment	Repayable in maximum 60 EMIs. No Repayment holiday
11	Cutback	Total deductions (including EMI of the proposed loan) shall not exceed 70% of the Gross pension
12	Co-borrower	Wherever spouse is alive he/she shall be taken as co-borrower. In the absence of spouse, any one of the legal heirs shall join as co-borrower
13	Surety	Suitable third party as surety. The surety should have adequate means of income.
14	IRAC norms	Loan shall be governed by extant norms pertaining to Income recognition, Asset classification and provisioning
15	Processing, Documentation & Inspection charges	Nil
16	Sanctioning Powers	The loans shall be sanctioned in the branch where the Pension Account exists
17	Delegated Sanctioning Powers	Scale-I: Rs.1.00 lakhs Scale-II: Rs.3.00 lakhs Scale-III & above: Rs.5.00 lakhs
18	Application & Documentation	<ul style="list-style-type: none"> ➤ Application prescribed (AF-58) ➤ Authorization letter from Pensioner for deduction of Installments from his/her SB account (Annexure) ➤ Copy of PPO from the applicant & Statement of account to which Pension is credited. ➤ ADN -10 (General Agreement), ADN -11 (Guarantor Agreement), ➤ ADN -4 (Stamped receipt from borrower)
19	Renewals	Renewal/Enhancements as per eligibility can be considered one year after the release of the loan in cancellation of the existing loan, provided the loan installments were regularly paid and there was no overdue at that time.

Clarifications required, if any, on the Circular may be sought from HO-Credit Department through respective Regional Offices as per extant guidelines.

(B.S.ANANTHAPADMANABHA RAO)
GENERAL MANAGER

ANNEXURE

Date :

Place:

From :

To:

The Chairman
Andhra Paragathi Grameena Bank
Credit Department, Head Office
KADAPA

Dear Sir,

SUB: Pragathi Senior Pension Loan – Letter of irrevocable authority for Pension deduction- Reg.

In consideration of having granted me a Pension loan of Rs. (Rupees Only), I hereby give an irrevocable authorisation to deduct the monthly installment of Rs. (Rupees Only) from my Pension and adjust to Pension loan account till the same is closed in full settlement.

I further undertake to pay the monthly installment and interest without fail.

Yours faithfully,

Signature of the retired Employee

Name:

Emp No:

PPO No: