

OPTION LETTER FOR CONVERSION OF MAXGAIN HOME LOAN ACCOUNT TO TERM LOAN ACCOUNT

To:

State Bank of India

Date: _____

_____ Branch

Dear Sir,

MAXGAIN HOME LOAN ACCOUNT NO _____

ONE TIME OPTION TO CONVERT MAXGAIN HOME LOAN ACCOUNT INTO TERM LOAN ACCOUNT

Please refer to my /our Maxgain Home Loan account no _____ for Rs. _____ sanctioned vide your letter no. _____ dated _____. I request you to convert this loan account to Home Loan (Term Loan) account with immediate effect. I declare, undertake and agree as follows:

- a. That I/we undertake to abide by the terms and conditions governing Home Loan (Term Loan).
- b. I request that my/our existing Maxgain home loan account may be closed and the outstanding be transferred to the new Home Loan (Term Loan) account opened with same Drawing Power, outstanding, tenor and EMI of my/ our existing loan account.
- c. That the Bank can charge prevailing rate of interest applicable for Home Loan (Term Loan) account i.e the effective rate of Interest on the loan outstanding will be charged at the rate of _____% (spread) above RBI's Repo Rate which is _____ % p. a as on 01st day of current calendar quarter. The present effective rate of interest being _____% p. a calculated on daily balance of the loan amount at monthly rests, subject to the interest rate reset on the 1st day of every calendar quarter, on the basis of the prevailing RBI Repo Rate. The spread is sum of Credit Risk Premium of _____% and other cost including operating cost. The Bank shall at any time and from time to time be entitled to change Credit Risk Premium when borrower's credit assessment undergoes change. Also, other cost including operating cost can be altered periodically at Bank's discretion
- d. That the Bank can charge switch over fee as per prevailing rate for switch over from existing higher interest rate to current prevailing EBLR based interest rate.
- e. Processing fee of Rs. _____/- will be paid by me/ us for conversion of the existing Maxgain home loan account to Home Loan (Term Loan) account. Alternatively, the same may be debited to my /our account(s)

2. I/We hereby declare and confirm that the documents executed by me /us for availing the Maxgain home loan and securities created by me/us for the Maxgain home loan account will operate as continuing security and will continue to be valid, binding and enforceable on me /us for the newly opened Home Loan (Term Loan) Account.

3. All the terms and conditions mentioned in the documents / agreements executed by me/ us for the Maxgain home loan account on _____ will be valid and enforceable against me/us for the Home Loan (Term Loan) Account as well. I/We acknowledge my/ our liability to the Bank for the amount of Rs. _____ outstanding in the existing Maxgain Home Loan account together with interest, costs and expenses as per documents executed by me/us, even after conversion to Home Loan (Term Loan) account.

Yours faithfully,

(Guarantors)

1. _____

2. _____

3. _____
