



CRN
/2023-24

Head Office
Retail Banking Deptt.
10, BTM Sarani, 2nd Floor
Kolkata – 700 001

UCO BANK
(A Govt. of India
Undertaking)
HONOURS YOUR TRUST

Circular No.
CHO/RBD//~~0~~ /2023-24
Dated: 29/04/2023

TO ALL BRANCHES/OFFICES IN INDIA:

Sub: Master Circular on UCO Pensioner Loan Scheme

In order to enable the field functionaries to access the comprehensive guidelines as of a recent date, a Master Circular incorporating all the existing circulars/guidelines on UCO Pensioner Loan Scheme updated up to 29/04/2023 is enclosed and this Circular supersedes all earlier instructions/guidelines issued on UCO Pensioner Loan Scheme.

Branches are advised to ensure that all the loan applications under UCO Pensioner Loan Scheme are processed through LPS only.

However, notwithstanding what is stated in this circular the other mitigating factors/precautions/guidelines suggested in both Bank's Manual of instructions and Loan Policy Document and any change thereof from time to time shall continue to be effective and applicable.

All the Branches/Offices are hereby advised to take a note of the guidelines and ensure its meticulous compliance.

(Rajesh Nagar)
Deputy General Manager
Retail Banking Department

Encl:

- 1) Master Guidelines on UCO Pensioner Loan Scheme
- 2) UCO Pensioner Loan Scheme Application Form
- 3) Irrevocable Letter of Authority
- 4) Annexure –A
- 5) Annexure – B
- 6) Checklist of Documents

**MASTER GUIDELINES ON UCO PENSIONER LOAN SCHEME
(Updated up to 29.04.2023)**

Sl No	Particulars	Guidelines
1	Target Group	<p>I) Pensioners who receive pension through our Bank Branch (i.e. Pension disbursed through GBM) including Ex-Employees of our Bank</p> <p>II) Pensioners having provision of family pension & Spouse is alive and receiving pension directly from:</p> <ul style="list-style-type: none"> ✓ State/Central Govt. Department, Office, Treasury including Defence ✓ Public Sector Undertaking <p>in Savings Bank Account maintained with our Bank Branches are also eligible. Branch to verify family pension provision from the PPO of Pensioner. A copy of PPO to be kept in Loan file.</p> <p>Note:</p> <ul style="list-style-type: none"> ✓ Undertaking to be obtained from Pensioners receiving pension directly from State/Central Govt. Department, Office, Treasury including Defence and Public Sector Undertaking in Savings Bank Account maintained with our Bank Branches that he/she will not change their pension receiving Savings Bank Account from our Bank to any other Bank without consent of our Branches. (Annexure-A) ✓ A letter addressed to Pension Disbursing/Payment Authority (Annexure-B) also to be obtained from such Pensioners and it is to be sent to the Pension Disbursing/Payment Authority by the Branch through registered Post. ✓ Pensioners receiving pension directly form State / Central Govt. Department, Office and Treasury including Defence & Public Sector Undertaking are eligible under UCO Pensioner Loan Scheme only if they are having family pension provision and spouse is alive. ✓ Guidelines of Scheme applicable for pensioners with family pension provision and spouse is alive would be applicable for such pensioners.
2	Purpose	<ul style="list-style-type: none"> a) Medical expenses for self/spouse/dependent children b) Payment of Mediclaim premium for self & dependents c) Marriage expenses in the family d) Educational expenses of dependent children e) Travelling expenses f) Repair to house property/dwelling unit g) Funeral expenses h) Agricultural needs



3	Age	<p>1] For Pensioners having provision of family pension & Spouse is alive:</p> <p>Repayment Period of the Loan be so fixed that the Loan is fully repaid before the pensioner reaches 75 years of age</p> <p>However, the maximum age, at the time of applying for the loan, not to exceed 74 years</p> <p>2] For the following Categories of Customers:</p> <p>a) Family Pensioners i.e. Spouse receiving pension after death of the pensioners b) Pensioners without family pension provision c) Pensioners where spouse is pre-deceased</p> <p>Loan is to be fully repaid before the pensioner reaches 72 years of age and no new loan to be sanctioned after the age of 72 years</p>
4	Quantum of finance	<p>1] For Pensioners having provision of family pension & Spouse is alive:</p> <p>12 times of monthly pension subject to ~</p> <p>✓ Maximum Rs.10 Lacs for age up to 70 years ✓ Maximum Rs.5 Lacs for age above 70 years to 74 years</p> <p>2) For the following Categories of customers:</p> <p>a) Family pensioners i.e. Spouse receiving pension after death of the Pensioners b) Pensioners without family pension provision c) Pensioners where spouse is pre-deceased</p> <p>10 times of monthly pension subject to maximum of Rs.3 Lacs</p>
5	Security	<p>No Security</p> <p>However, to safeguard Bank's interest, irrevocable letter of authority from the pensioners to the Bank to be obtained authorizing the Bank to recover the installments from out of the pension amount credited to his/her savings/current account (both in case of pensioners/war-widows/widows)</p>
6	Guarantee	<p>a) Personal guarantee of spouse eligible to receive family pension in the event of death of pensioner</p> <p>b) In case of war widows/widows, if co-borrower is not available, a third party guarantee having sufficient income should be positively obtained</p> <p>c) Wherever possible, the Branch should obtain personal guarantee of son(s)/daughter(s) in case the spouse is pre-deceased or a third party guarantee acceptable to the Bank</p>



7	Rate of Interest	<p>For Public: UCO FLOAT Rate + 3.55% i.e. 9.30% + 3.55% presently 12.85% p.a</p> <p>For UCO Bank staff Pensioners: UCO FLOAT Rate + 2.55% i.e. 9.30% + 2.55% presently 11.85 % p.a.</p> <p>(With monthly rest subject to revision to be made by the Bank from time to time at its sole discretion)</p>
8	Prepayment Charges	NIL
9	Processing Charges	NIL
10	Documentation charges	<p>Up to Rs. 25,000/-: Nil</p> <p>Above Rs. 25,000/-: Rs. 250/- per Lac subject to maximum* Rs.25,000/-</p> <p>(Refer: Circular No. CHO/RBD/22/2021-22 dated 24/08/2021 for detailed guidelines and subject to revision from time to time)</p>
11	CIBIL Report Pulling Charges	CIBIL Charges shall continue to apply as per Bank guidelines
12	Documentation	<ol style="list-style-type: none"> 1) DP Note (A-1) 2) Term Loan agreement (A-109) 3) Letter of waiver (A-47) 4) Letter of guarantee (A-21A) 5) Irrevocable letter of authority as per prescribed format 6) Undertaking to be obtained from Pensioners receiving pension directly from State/Central Govt. Department, Office, Treasury including Defence and Public Sector Undertaking in Savings Bank Account maintained with our Bank Branches in the enclosed format Annexure-A. Further, letter to be addressed to Pension Disbursing/Payment Authority in the enclosed format Annexure-B is also to be obtained this Section of Pensioners. 7) Annexure-B is to be obtained in duplicate. A Copy of the same is to be sent to Pension Payment/Disbursing Authority by the Branch through registered Post along with a forwarding letter and another Copy is to be kept in Loan File. Further, registered post receipt is to be kept in Loan File.



13	Repayment Period	<p>1) For Pensioners having provision of Family Pension & Spouse is alive:</p> <p>Loan should be repaid in 48 EMIs or before the Pensioner reaches 75 years of age, whichever is earlier</p> <p>2) For the following Categories of Customers:</p> <p>a) Family Pensioners i.e. Spouse receiving pension after death of the pensioner</p> <p>b) Pensioners without family pension provision</p> <p>c) Pensioners where spouse is pre-deceased</p> <p>Loan should be repaid in 48 EMIs or before the Pensioner reaches 72 years of age, whichever is earlier</p> <p>In both the above cases repayment will commence from one month after disbursement</p> <p>Further, to prevent fresh accounts slippage in SMA0 category due to non-serving of interest by the borrower in the month of disbursement, Branch may collect the notional interest for the days between the date of disbursement and last date of month of sanction and keep in the saving (pension/operative) account of the customer for real time updation on the interest application date in the loan account.</p> <p>Auto Recovery mandate for all installments have to be obtained without fail and marked in Finacle System (Refer: Circular No. CHO/RBD/01/2023-24 dated 10/04/2023 for detailed guidelines).</p>
14	Lending powers	<p>Without family pension:</p> <p>Scale-I : Rs. 3.00 Lacs Scale-II : Rs. 3.00 Lacs Scale-III and above : Rs. 3.00 Lacs</p> <p>For Pensioners having provision of family pension & Spouse is alive:</p> <p>Scale-I : Rs. 5.00 Lacs Scale-II : Rs. 7.50 Lacs Scale-III and above : Rs. 10.00 Lacs</p> <p>Proposals falling beyond the delegated lending power of Branches are to be forwarded to Zonal Office for disposal by ZLCC</p>



15	Scheme Codes	L733A (UCO Pensioner-STAFF) L733B (UCO Pensioner-NON STAFF)
16	Pre-Sanction scrutiny and post sanction follow up	<p>a) After deduction of the proposed EMI, minimum 40% of pension amount should be available to meet the monthly family expenses of the pensioner</p> <p>b) Keeping in view the age and general health of the Pensioner, Branch should conduct Pre-sanction Verification (PSVR-I)</p> <p>c) At post sanction stage, Branch should closely monitor the loan account</p> <p>d) Survival Certificate should be obtained periodically without fail</p> <p>e) In the event of the death of the borrower, Branch should take immediate action for transferring the liability to the spouse who would receive family pension after the death of the borrower and obtain appropriate documents covering the liability</p>
17	Minimum CIBIL Score	<p>A minimum CIBIL Score of 600 is required</p> <p>In case of multiple Applicant/Co-applicant(s)/Guarantor(s) minimum CIBIL score is required to be met by all Applicant, Co-applicant(s) and also by Guarantor(s) if their income is being considered in Loan assessment</p> <p>In Case the Applicant/Guarantor(s) has no Credit History or Credit history is not sufficient to score in the range of 300-900, minimum CIBIL Score of 600 is not applicable to that Applicant and guarantor(s)</p> <p>In cases where minimum CIBIL Score requirement is not fulfilled as per the aforementioned requirements, ZLCC is authorised to consider the proposal on case to case basis on merit and keeping in mind the standing of the Borrower/Guarantor(s)</p> <p>(Refer Circular No. CHO/RBD/32/2019-20 dated 19/11/19 for detailed guidelines)</p>
18	Powers to allow deviations	<p>As per Loan Policy Document 2022-23 (Part-A), Chapter 11, Point No.11.1</p> <p>In Case of Retail Loan Schemes, ZLCC may allow relaxations other than Pricing, Margin and Maximum Loan amount of the scheme on case to case basis keeping in view the merits of proposal and standing of the Borrower</p> <p>(For any other relaxations/deviations/concessions refer to the latest Loan Policy Document and Modifications thereon)</p>



APPLICATION FOR LOAN UNDER "UCO-PENSIONER" SCHEME

To
The Manager
UCO Bank
.....Branch

Date :

Photograph
Pensioner

Dear Sir,

Re : Loan under UCO-Pensioner Scheme

I am a Pensioner of Pension Scheme drawing a monthly Pension of Rs..... My Pension A/c. No. is My Pension is paid through your Branch every month and the same is credited to my savings/current A/c. No..... with your branch.

In connection with the expenses, I request to sanction me a loan of Rs..... (..... only) against the total expenditure of Rs..... I have been explained the terms and conditions of the Loan Scheme and undertake to abide by the same.

I shall repay the loan of Rs..... with interest in equated monthly installments of Rs..... each.

I furnish below further details about me:

1. Name :
2. Father's/Husband's Name :
3. Address :
4. Contact Details with Mobile No. & Email Id :
5. Age & Date of birth :
6. Name of the spouse Eligible for Family Pension :

7. Name(s) of children, occupation, age and their present address and contact Details with Mobile No. & Email Id : i)

: ii)

: iii)

:iv)

8. Purpose of Loan :

9. Name of the Guarator proposed Occupation, age and his/her address and contact details with Mobile No. & Email Id :

10. Period for repayment of Loan :

11. Survival certificate las submitted up to :

Yours faithfully,

(Signature of the borrower)

(Signature of the guarator)

IRREVOCABLE LETTER OF AUTHORITY

I, Mr./Mrs./Miss..... a pensioner of organization hereby irrevocably authorize UCO Bank, Branch to debit my Saving/Current A/c. No..... towards the monthly installment of loan sanctioned to me under UCO Pensioner Scheme every month till entire loan with interest and charges if any is fully recovered. In the event of any change in receiving the pension amount or any change in the title of the account to which the pension amount will be credited, I shall inform UCO Bank well in advance.

*In the event of my death during the currency of the loan, my spouse of the loan who is eligible to receive family pension would undertake to repay the balance of the loan amount.

* In the event of my death during the currency of the loan, my son(s)/daughter(s) whose name(s) given in loan application form would undertake to repay the balance of the loan amount.

Yours faithfully,

Date:

(Signature of the pensioner)

*delete the inapplicable

**Undertaking to be obtained from Pensioner
(To be stamped)**

From:

To
The Manager,
UCO Bank,

Sir,

Sub: Loan under UCO Pensioner Loan Scheme

With reference to the loan of Rs. _____ (_____
_____) granted to me by you towards meeting
_____ expenses, I undertake that I will not change and/or
apply/request my Pension Disbursing/Payment Authority to change my
Pension receiving Savings Bank Account from UCO Bank, _____ Branch
to other Branch/Bank till the loan is adjusted in full.

Yours faithfully,

(Signature of Applicant)

Name:

Address:

Mobile Number:

Place:

Date:

(To be sent by Branch, through Registered Post to Pension Disbursing/Payment Authority)

Date-----

To,

(Designation and Address of Pension Disbursing/Payment Authority)

Dear Sir/Madam,

Sub: My Loan Account bearing No: _____ with UCO Bank _____
Branch, under UCO Pensioner Loan Scheme

I wish to inform that I have availed UCO Pensioner Loan, amounting to Rs. _____
(Rupees _____ Only) from UCO Bank, _____ Branch. My
monthly Pension is being transferred to Savings Bank Account No: _____
maintained with this Branch from which Loan Instalment is being deducted.

I request you not to transfer my Pension to Savings Bank Account maintained with
some other Bank/Branch till the closure of above mentioned Loan Account. I will
produce a No Objection Certificate from the Present Bank/Branch, after closing my
below mentioned UCO Pensioner Loan account for transfer of my Pension to Savings
Bank Account maintained with some other Bank/Branch, if required.

I hereby agree that I shall not be entitled to withdraw or revoke the authority, until the
whole of my debt inclusive of interest to UCO Bank, _____ Branch under
UCO Pensioner Loan Scheme is liquidated.

In case of default of repayment of the Loan, I authorise you to make payment of
outstanding dues in my Loan Account directly to the Bank from Pension payable to
me.

I am furnishing hereunder details of my Pension Savings Bank Account and UCO
Pensioner Loan Account.

Pension Savings Banking Account Number:

UCO Pensioner Loan Account Number:

I would request you to note the above information for the records.

Yours faithfully,

(Signature)

Name of the Pensioner:

Complete Address:

Mobile No:

Checklist of Documents

1. Identity Proof (Any one of the following documents)
a) Voter Identity Card b) PAN Card c) AADHAAR Card d) Driving Licence e) Passport
2. Address Proof (Any one of the following documents)
a) Voter Identity Card b) AADHAAR Card c) Driving Licence d) Passport e) Electricity Bill f) Ration Card
3. Copy of Pension Payment Order (PPO)
4. Two Passport size photograph of Applicant(s) & Guarantor(s)
5. Statement of Means of Applicant(s) & Guarantor(s)
6. Additional Documents (if any) should be taken as per the terms & conditions of UCO Pensioner Loan Scheme as well as norms & guidelines of the Bank