



## LAW BOOK

Sunil Tyagi

**I'm planning to reconstruct my house for which I require a loan of ₹75,000. Will I be eligible to get a loan for reconstruction purpose?**

- Savitha Jha

The loan amount for reconstruction appears to be very small. It may be administratively convenient to take a personal loan rather than a loan against property as minimum amount for most home loans is ₹5 lakh.

**I work in a pharma company and earn around ₹7.5 lakh per annum. My hometown is Allahabad. Can I get a loan to buy a plot in a scheme launched by Allahabad Development Authority? What is the maximum amount of loan I will get to buy a plot from them?**

- Saransh Sharma

Plot loans are available only if they are bought from government authorities. Typically, you will be able to get a seven to ten-year loan of up to 60-65% of the plot value at a rate of around 10.50%. The equated monthly installment for 10 years at this rate of interest will work out to be ₹1,350 for every ₹1 lakh. You may get around ₹12 lakh as loan (EMI ₹23,300 or 40% of the net take income) if the cost of the plot is at least ₹20 lakh.

**Please share the checklist of documents that are required to be submitted while applying for a home loan?**

- Shikha Gupta

The documents that you

require for applying for a home loan are: Proof of income for the last three years, Form 16, copy of IT returns, computation of income, bank statements for last six months showing salary credits

For self-employed, please submit Form 16A, copy of IT returns, computation of income, bank statements for the last one to two years.

For proof of identity and residence, you need to submit your passport, election card, PAN card and driving license etc.

**I had taken a loan for ₹12.5 lakh with a tenure of 20 years five months ago at an interest of 9.65%. The property for which I took the loan is in Bharuch. I intend to repay the amount within a week. If I clear my loan within a week, how much interest will I have to pay?**

- Sangeet Shah

You will need to pay the interest for the period for which you had taken a loan. So, the interest payable will be for five months and the loan repayment amount will be the principal amount outstanding after adjusting the principal payments made by you in the last five months.

*The author is senior partner, ZEUS Law Associates, a corporate commercial law firm. One of its areas of specialisation is real estate transactional and litigation work. If you have any queries, email us at [htestates@hindustantimes.com](mailto:htestates@hindustantimes.com).*