

STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

(Registered under Trade Unions Act 1926-Regd. No. 6908)

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To All Members (Please Circulate)

ALERT SERIES - 5

XPRESS CREDIT LOANS

DO's AND DON'Ts

Comrades,

Occurrence of frauds is not something new to the Banking Sector. Despite taking several preventive vigilance measures to prevent frauds, frauds do occur due to various factors. The magnitude and diversity of frauds have assumed serious proportions, with both the number and amount involved rising alarmingly. Incidence of staff involvement is also on the increase. Incidentally, there are several instances where frauds were averted due to the alertness of staff members. However, the efforts of such employees have gone, more or less, un-noticed and unappreciated. In this backdrop, there is a felt need for affirmative action to create a culture of alertness and a healthy respect for observance of laid down systems and procedures. As a responsible Trade Union, it is our bounden duty to sensitize and counsel our members so that they remain vigilant in the protection of Bank's interest. Once Bank's interest is secured, the possibility of punitive action / disciplinary proceedings will not arise. In that spirit, we would like to share the contents of this Circular with our members. Many frauds have been reported in Xpress Credit Loans in the recent past. Based on the common irregularities mentioned in the chargesheets in recent past, a list of Dos and Don'ts has been prepared which is appended below for meticulous compliance in order to obviate the possibility of frauds and for the safeguard of ground level functionaries as well.

What went wrong and suggestions:

DO's –

1. Keep yourself updated with the latest instructions of the Bank (e-Circular no. NBG/PBU/PL-PERLOANS/68/2022-23 dated 27.03.2023).
2. Ensure the eligibility of the customer and his employer.
3. Ensure that the given job (processing/sanction/inspection etc.) is associated with your role and within your KRA.
4. Ensure that the applicant is not an employee of the Corporate/Company whose account is classified as NPA by using the link provided in SBI Times.
5. Conduct meaningful Pre-Sanction and apply due diligence. There is no definition of 'meaningful inspection'. Conduct inspection as per instructions and keep records in black and white and ensure uploading the same in the loan software.
6. CIBIL reports to be scrutinized properly. The delinquencies reflected in the CIBIL report to be properly scrutinized. Even if there is a minimal deviation, ensure that the same has been approved by the appropriate authority and also mention the same in the proposal. CIBIL score fetched by LOS may differ with the score fetched from CIBIL site. The reasons for the same must be analyzed and mentioned in the proposal. Multiple CIBIL enquiries on the customer must also be analyzed and kept with records.
7. Obtain Credit Information Report (CIR) from two different CICs in cases of loans above Rs.4.00 lakhs.
8. Verify whether there is any settlement/write off entries against previous loans/Credit card dues. Approval from the appropriate authority (mostly related with credit card) to be obtained as per Bank's laid down norms.

Shubhajyoti Chattopadhyay

General Secretary

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9. Delegation of Financial Powers in respect of individual exposure under the scheme to be adhered to.
10. KYC documents to be verified from the originals by Bank Officials; Checking of photograph of borrower; signature of borrower, Address proof from verifiable sources, PAN card to be verified from IT/NSDL site, etc.
11. In cases where the verifications are done by approved agencies, ensure that the approval of the concerned agency exists as on date. Conduct at least one inspection, workplace or residence in such cases. Do re-checking of such verifications as per Bank's norms and keep records thereof.
12. Documents for proof of identity are to be verified by using Website of Public/concerned authority like "https://incometaxindia.gov.in" etc. Salary Slips to be checked with the disbursing authority; Salary amount shown should not looking unusual with round amount throughout; Salary credit narration should not be through NEDT/IMPS etc. Salary should be reflected in the Bank account by way of statement / passbook of entries for last six months; Salary slips shown is matching with IT Returns/Form 16. Salary slips for latest three months showing all deductions. Please check whether salary is being credited into the salary account of the borrower.
13. Form 16: Genuineness of issue to be ascertained; Deviation to be obtained in case of non-availability of the same for minimum required number of years.
14. Irrevocable letter of Authority & undertaking from the employee and employer on Bank's prescribed format.
15. Letter to be sent to DDO (Annexure: XP-10 or Annexure XP-11 as applicable) immediately after sanction of the loan and keep the copy with the records.
16. Attend all the OTMS alerts meaningfully and timely. Ensure to report only the compliances actually done.
17. Carefully go through the Control Returns and comply the instruction written therein, if any.

DON'Ts -

1. **The involvement of Middlemen/Agent in sourcing and documentation of Express Credit loans to be strictly avoided.**
2. Don't compromise with any of the Bank's instructions for any consideration like cross-selling prospect, recovery of earlier loan, achievement of targets etc.. As far as possible, try to avoid deviations without written approval of the appropriate authority. Please also ensure that the authority permitting the deviation has the discretionary power in that regard.
3. Don't accept any proposal where the applicant's place of employment and residence not in the vicinity of the branch.
4. Don't sanction any Xpress Credit loan immediately after bringing the salary account to our books.
5. Don't put your credentials/signature only for the purpose of formalities, unless you go through the same thoroughly and get yourself satisfied with it.
6. EMI/ NMI ratio – All the existing EMIs as per salary slips and CIBIL report to be considered invariably to arrive at the actual loan amount. Loan eligibility is not to be calculated based on any presumption/ simple declaration of the applicant to the effect that existing loans will be liquidated in future.
7. Don't allow any repayment beyond the retirement of the borrower.
8. **Don't share your ADS Password with anyone lest RLMS be accessed and Xpress Credit proposals be processed using it. If such Xpress Credit proposals turn out to be fraudulent in future, the entire responsibility will devolve on you. Remember, a stitch in time, saves nine.**

With revolutionary greetings,



Shubhajyoti Chattopadhyay
(General Secretary)

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