

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1860

ANSWERED ON:02.12.2011

MORTGAGE OF VEHICLE

Kumar Shri Kaushalendra;Mahto Shri Baidyanath Prasad

Will the Minister of FINANCE be pleased to state:

- (a) whether the public and private sector banks including ICICI Bank inform the concerned Transport Authorities regarding mortgaging of vehicle after sanctioning the loan;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) whether the said banks also inform the concerned Transport Authority about full and final settlement of the vehicle loans;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government / RBI has received complaints against the said banks for delay in issuing No Dues Certificates after full and final settlement of the vehicle loans; and
- (f) if so, the details thereof and the reasons therefor alongwith the action taken thereon?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

- (a) & (b): Yes, Sir. It is the practice in the banks that whenever any bank sanctions vehicle loans, banks' charge is registered with the concerned road transport authorities and the hypothecation charge of the banks is also noted in the Registration Certificate (R.C. book).
- (c) & (d): Yes, Sir. As soon as the loan is liquidated, the bank issues satisfaction letter along with the prescribed form for cancellation of the hypothecation charge. Banks either file these charges directly with the Road Transport Authority (RTA) or hand over the forms to the borrower for completion of the formalities with the RTA.
- (e) & (f): Indian Banks' Association has informed that the procedure mentioned above is followed in all banks and they have not come across any complaints regarding non-compliance with the noting.