

## **CAI organizes a seminar on Reverse Mortgage & Financial Security for Senior Citizens to celebrate**

### **World Consumer Rights Day 2010**

**Consumers International, the international federation of consumer organizations decided on a very innovative campaign this year for World Consumer Rights Day. The theme was “Our money, Our Rights. This was to be highlighted by all consumer organizations in their activities to commemorate World Consumer Rights Day**

Consumers Association of India conducted a seminar on Reverse Mortgage and Financial Security for Senior Citizens. This seminar was organized in association with Central Bank of India's Chennai Regional office and was held at the Triple Helix auditorium, CLRI Campus Chennai on 31<sup>st</sup> March

The Chief Guest for this meeting was Mr. K. S. Sripathy, I.A.S., Chief Secretary, Tamil Nadu and Mr. S. Sridhar, Chairman, Central Bank of India and National Housing Bank presided over the function. The other dignitaries present included Mr. D. Krishnamurthy, Vice President Star Union Dai-ichi Insurance Company Ltd., Mr. S. Kannan, Regional Manager, Central Bank of India, Chennai, and Mr. P. R. Jaishankar, AGM, National Housing Bank

This day marked an important day in the annals of Central Bank of India as they launched a special Reverse Mortgage scheme for Senior Citizens in association with Star Union Dai-ichi Insurance Co. Ltd. This was called the RMLEA Scheme as it was an Annuity enabled scheme which made it an attractive proposition for senior citizens.

The seminar was inaugurated by Mr. S. Sridhar, Chairman Central Bank of India by lighting the traditional kuthuvilakku. along with the other dignitaries present.

Mr. R. Desikan, Trustee, Consumers Association of India welcomed the gathering on behalf of CAI. Mr. S. Kannan then briefed the participants about this new initiative of Central Bank of India under the guidelines issued by National Housing Bank for the Reverse Mortgage scheme.

Mr. P. R. Jaishankar, Assistant General Manager of National Housing Bank then spoke on the guidelines issued by National Housing Bank for this Reverse Mortgage scheme. He mentioned that the scheme was slowly gaining popularity and the new initiative announced by Central Bank of India made Reverse Mortgage an attractive proposition for senior citizens who wished to take

advantage of this scheme. His presentation also mentioned the counseling centres run by voluntary groups who were advising consumers on this aspect.

This was followed by the Presidential address rendered by Mr. S. Sridhar. In his address Mr. Sridhar traced the history of this particular scheme, which he said was primarily a service to senior citizens and not a product. He also stated that this was the only scheme which did not look at collaterals for guarantees. He felt that government supported insurance schemes were the way forward. Although the scheme was slowly becoming popular, he reiterated that this new scheme launched as a Reverse Mortgage enabled annuity scheme along with Star Union Dai-ichi Insurance Company would provide an assured income for senior citizens on a continuing basis unlike the earlier RML scheme where it ended when the senior citizen reached the age of 80.

Mr. D. Krishnamurthi of Star Union Dai-ichi Insurance Company then talked about their alliance with Central Bank of India to offer this scheme to senior citizens

For the benefit of our Chief Guest, Mr. K. Sripathy, I.A.S., Central Bank of India screened the presentation on the RMLEA scheme which was earlier shown to the Central Bank of India zonal managers.

The Chief Guest, Mr. K. Sripathy delivering his speech mentioned that “senior citizens” are very sensitive and had to be handled with care and concern for their feelings. They would not like to be referred to as borrowers. He mentioned that he considered RML to be a service and not a product and therefore banks should ensure that the service is rendered properly to the satisfaction of the senior citizens who take advantage of this scheme. He narrated examples of pensioners who had to wait for months to get their pension amounts and entries made in their pension books. He mentioned that today the government has changed the rules to ensure that pensioners are not put to unnecessary difficulties. He mentioned that the important thing to be borne in mind was that the money reaches the person concerned without too much of delay – unnecessary certification should be avoided, he said.

Central Bank of India then announced the list of pensioners whose loans were sanctioned. There were a total of ..... People whose loans had been sanctioned and among them was a 93 year old pensioner.

Participants presented their views and questions to the panelists and they were all assured that their questions would be answered individually by mail, due to paucity of time.

The meeting ended with a vote of thanks by Mr. K. Ramachandran, Trustee, CAI.