**Loan Details**

# **Loan**

A loan is a financial agreement between two parties, where one party (the lender) provides a sum of money to the other party (the borrower) for a specific period, with the expectation that the borrower will repay the loan, usually with interest.

**Types of Loan:**

Loans can be categorized into various types, each serving distinct purposes and offering unique features.

* Personal Loan
* Home Loan
* Education Loan
* Vehicle Loan

## Personal Loan

### **Purpose Of Personal Loan**

* A personal loan is an unsecured loan designed to meet the various financial needs of individuals. It can be used for purposes such as covering medical expenses, funding a wedding, home renovations, or even consolidating debt.
* Since it is unsecured, there is no need to provide collateral, making it accessible to a wide range of customers.

### **Eligibility for Personal Loans:**

* Personal loans are available to both salaried and self-employed individuals.
* Eligibility criteria typically include:
  + Minimum age (usually 21-60 years old)
  + Minimum monthly income as specified by the lender
  + Good credit history and credit score (usually above 650)
  + Stable employment or self-employment

### **Qualifications Of Personal Loan**

* Proof of stable employment or self-employment
* Minimum monthly income as specified by the lender
* A good credit score, usually above 650

### **Age to apply for Personal Loan**

Eligible age ranges between 21 and 60 years. Some banks may offer loans to individuals beyond this age limit, subject to conditions.

### **Loan Amount (INR) for Personal Loan**

* A personal loan typically ranges from ₹50,000 to ₹25,00,000, depending on the borrower's income, creditworthiness, and the bank's policies.
* The loan amount is determined based on the borrower's repayment capacity and the lender's risk assessment.

### **Interest Rate for Personal Loan**

* Personal loans generally have higher interest rates compared to secured loans, such as home loans or car loans.
* The interest rates range between 10% and 24% per annum, with the final rate depending on factors like the borrower's credit profile, the loan tenure, and the lender's own policies.

#### ***Example Calculation of Personal Loan:***

For a loan of ₹5,00,000 at 15% interest for 3 years:

* EMI = 17,332.66
* Total interest = ₹5,00,000 × 15% × 3 = ₹1,23,975.76
* Total repayment = ₹5,00,000 + ₹1,23,975.76 = ₹6,23,975.76

### **ID Proofs required to apply for Personal loan**

Documentation Required:

The typical documentation required for a personal loan application includes:

* Identity proof (Aadhaar card, PAN card, passport, etc.)
* Address proof (utility bills, bank statements, etc.)
* Income proof (salary slips, bank statements, ITR, etc.)
* Proof of employment or business

### **Mode of Repayment for Personal Loan**

Personal loans can be repaid via:

* Monthly EMI through ECS (Electronic Clearing System)
* Standing Instructions (SI)
* Post-dated cheques

#### ***Repayment***

Loan tenures range from 1 to 5 years. Early repayment options may be available, though prepayment penalties might apply.

#### ***Bounced Cheque/ECS/SI Dishonor***

Penalties are applicable for dishonored payments, and it may impact the borrower’s credit score

### **Timeliness for Disposal of Personal Loan**

After all required documents are submitted, loan processing typically takes 3 to 7 business days, depending on the lender and the applicant's credit profile.

### **Customer Service**

For any queries, please reach out to:

* \*\*Phone\*\*: 1234556789
* \*\*Email\*\*: [abcbank@gmail.com](mailto:abcbank@gmail.com)

## Home Loan

### **Purpose Of Home Loan**

* A Home Loan, also known as a mortgage, is a secured loan that is specifically designed to help individuals finance the purchase of a residential property.
* This type of loan is typically used to buy a house or apartment, construct a new home, or renovate an existing property.
* Home Loans are typically long-term loans with repayment periods that can extend up to 30 years, making it easier for borrowers to manage their finances.
* Since it is unsecured, there is no need to provide collateral, making it accessible to a wide range of customers.

### **Eligibility Of Home Loan**

Home Loans are available to salaried and self-employed individuals. Borrowers must meet the minimum income requirements and should have a steady source of income.

### **Qualifications Of Home Loan**

* Proof of stable employment or self-employment
* Minimum monthly income as specified by the lender
* A good credit score, usually above 650

### **Age to apply for Home Loan**

Eligible age ranges between 23 and 60 years. Some banks may offer loans to individuals beyond this age limit, subject to conditions.

### **Loan Amount (INR) for Home Loan**

A Home Loan typically ranges from ₹50,000 to ₹1,00,00,000, depending on the borrower's

income, creditworthiness, and bank policies.

### **Interest Rate for Home Loan**

* + Home Loans generally have higher interest rates than secured loans.
  + The interest rates range between 10% and 24% per annum.

#### ***Example Calculation of Home Loan:***

For a loan of ₹7,00,000 at 10% interest for 2 years:

* EMI = 32,301.45
* Interest = ₹7,00,000 × 10% × 2 = ₹75,234.80
* Total repayment = ₹7,00,000 + ₹75,234.80 = ₹7,75,234.80

### **ID Proofs required to apply for Home Loan**

Documentation Required:

The typical documentation required for a personal loan application includes:

* Identity proof (Aadhaar card, PAN card, passport, etc.)
* Address proof (utility bills, bank statements, etc.)
* Income proof (salary slips, bank statements, ITR, etc.)
* Proof of employment or business

### **Mode of Repayment for Home Loan**

Home Loans can be repaid via:

* Monthly EMI through ECS (Electronic Clearing System)
* Standing Instructions (SI)
* Post-dated cheques

#### ***Repayment***

Loan tenures range from 10 to 50 years. Early repayment options may be available, though prepayment penalties might apply.

#### ***Bounced Cheque/ECS/SI Dishonor***

Failure to honor the payment will result in penalty charges. The penalty amount varies based on

the bank’s policy, and repeated dishonors can affect your credit score.

### **Timeliness for Disposal of Home Loan**

After all required documents are submitted, loan processing typically takes 3 to 7 business days, depending on the lender and the applicant's credit profile.

### **Customer Service**

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## Education Loan

### **Purpose of Education Loan**

* Education loans are financial products designed to assist individuals in funding their higher education expenses, including tuition fees, books, accommodation, and other related costs.
* These loans are available for both domestic and international educational pursuits, enabling students to pursue their academic goals without being constrained by financial limitations.

### **Eligibility for Education Loan**

The primary applicant must be an Indian national. The student should have secured admission to a recognized institution. In most cases, a co-applicant is required for the loan, especially for higher amounts.

### **Qualifications for Education Loan**

* Proof of admission into a recognized university or college
* A co-applicant (parent/guardian) for financial support
* Collateral may be required for larger loan amounts

### **Types of Education Loans**

* Undergraduate Education Loan: For bachelor's degree courses.
* Postgraduate Education Loan: For master's degree courses.
* Professional Education Loan: For professional courses (e.g., medicine, law).
* International Education Loan: For studying abroad.

### **Education Loan Schemes**

* Central Sector Interest Subsidy Scheme: Government subsidy for economically weaker sections.
* Padho Pardesh Scheme: Interest subsidy for students studying abroad.

### **Age to apply for Education Loan**

The eligible age for students is between 18 to 35 years. The age of the co-applicant may vary based on the lender’s policies.

### **Loan Amount (INR) for Education Loan**

Education loans typically range from ₹50,000 to ₹50,00,000 depending on the course, institution,and location (domestic or international).

### **Interest Rate for Education Loan**

Interest rates for education loans range between 9% to 16% per annum.

#### ***Example Calculation for Education Loan***

For a loan of ₹10,00,000 at 11% interest over 7 years:

* EMI = ₹17,122.44
* Interest = ₹10,00,000 × 11% × 7 = ₹4,38,284.96.
* Total repayment = ₹10,00,000 + ₹4,38,284.96 = ₹14,38,284.96

### **ID Proofs for Education Loan**

* Admission Letter
* ID Proof (Aadhaar, PAN, Passport)
* Address Proof (utility bills, bank statement)
* Income Proof (co-applicant's income documents)
* Mark Sheets and Certificates

### **Mode of Repayment for Education Loan**

Repayment usually begins after the completion of the course, with a grace period of 6 to 12 months. Payments are made via ECS, SI, or post-dated cheques.

#### **Repayment**

The repayment period ranges from 5 to 15 years, depending on the loan amount and course duration.

#### **Bounced Cheque/ECS/SI Dishonor**

Penalties apply for dishonored payments, and failure to make timely payments will affect the

borrower’s credit history.

### **Timeliness for Disposal of Education Loan**

Loan approval and disbursement generally take 7 to 15 business days after submission of all necessary documents.

### **Customer Service for Education Loan**

For assistance, contact:

* \*\*Phone\*\*: 1234556789
* \*\*Email\*\*: [abcbank@gmail.com](mailto:abcbank@gmail.com)

## **Vehicle Loan**

### **Car Loan**

#### **Purpose of Car Loan**

* + A car loan is a secured loan provided to finance the purchase of a new or used car.
  + Since the vehicle itself serves as collateral, car loans usually offer lower interest rates compared to unsecured loans.

#### **Eligibility for Car Loan**

Salaried and self-employed individuals with a stable monthly income are eligible. The borrower must have a good credit score and meet the income criteria as specified by the bank.

#### **Qualifications for Car Loan**

* Proof of stable income
* Minimum monthly income, depending on loan amount
* A good credit score, typically above 650

#### **Age to apply for Car Loan**

Eligible ages range from 21 to 65 years. For senior citizens, some banks might extend the age limit.

#### **Loan Amount (INR) for Car Loan**

Car loans usually range between ₹1,00,000 to ₹50,00,000 depending on the value of the vehicle

being purchased.

#### **Interest Rate for Car Loan**

The interest rates for car loans vary between 7% to 15% per annum.

##### **Example Calculation for Car Loan:**

For a loan of ₹10,00,000 at 10% interest over 5 years:

* EMI = ₹21,247.04
* Interest = ₹10,00,000 × 10% × 5 = ₹2,74,822.40
* Total repayment = ₹10,00,000 + ₹2,74,822.40 = ₹12,74,822.40

#### **ID Proofs for Car Loan**

Accepted ID proofs include:

* Aadhaar Card
* PAN Card
* Passport
* Driver’s License

#### **Mode of Repayment for Car Loan**

Repayment can be done through:

* Monthly EMI via ECS
* Standing Instructions (SI)
* Post-dated cheques

##### **Repayment**

Loan tenures range from 1 to 7 years, depending on the borrower’s repayment capacity.

##### **Bounced Cheque/ECS/SI Dishonor**

A penalty fee is applicable if the EMI payment through cheque or ECS/SI fails due to insufficient funds.

#### **Timeliness for Disposal of Car Loan**

Loan approval and disbursement generally take 3 to 5 business days after submitting all required documents.

#### **Customer Service for Car Loan**

For assistance, contact:

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* \*\*Email\*\*: [abcbank@gmail.com](mailto:abcbank@gmail.com)

### **Bike Loan**

#### **Purpose of Bike Loan**

* A bike loan helps individuals finance the purchase of two-wheelers, either new or used.
* Since it is a secured loan, the bike itself acts as collateral, making this a more affordable option for bike purchases.

#### **Eligibility for Bike Loan**

Salaried or self-employed individuals with a stable source of income are eligible. The credit

score and income must meet the bank’s criteria.

#### **Qualifications for Bike Loan**

* Proof of stable income
* Minimum monthly income as per loan amount
* A good credit history

#### **Age for Bike Loan**

The eligible age range is between 18 and 65 years. Borrowers under the age of 21 may require a co-applicant.

#### **Loan Amount (INR) for Bike Loan**

The loan amount for a bike loan ranges from ₹10,000 to ₹2,00,000 depending on the cost of the

two-wheeler.

#### **Interest Rate for Bike Loan**

Bike loans usually come with interest rates between 8% to 20% per annum.

###### **Example Calculation for Bike Loan:**

For a loan of ₹1,00,000 at 12% interest for 2 years:

* EMI = ₹4,707.35
* Interest = ₹1,00,000 × 12% × 2 = ₹12,976.40
* Total repayment = ₹1,00,000 + ₹12,976.40 = ₹1,12,976.40

#### **ID Proofs for Bike Loan**

Commonly accepted ID proofs include:

* Aadhaar Card
* PAN Card
* Voter ID

#### **Mode of Repayment for Bike Loan**

Repayment is through:

* EMI via ECS
* Standing Instructions (SI)
* Post-dated cheques

###### **Repayment of Bike Loan**

Tenures generally range between 1 to 3 years. Prepayment options are often available, though prepayment charges may apply.

###### **Bounced Cheque/ECS/SI Dishonor**

Penalties are applicable for dishonored payments, and it may impact the borrower’s credit score.

#### **Timeliness for Disposal for Bike Loan**

The loan processing time is usually 2 to 5 business days after submitting all required documents.

#### **Customer Service for Bike Loan**

For any queries, contact:

* \*\*Phone\*\*: 1234556789
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| **Loan Type** | **Benefits** | **Interest** |
| Personal Loan | Flexible use of funds  Collateral-free  Quick approval process | 9-18% APR |
| Education Loan | Help finance higher education costs  Lower interest rates compared to personal loans  Tax benefits on interest paid | 8-12% APR |
| Home Loan | Finance purchase of a house or apartment  Lower interest rates compared to other loans  Tax benefits on interest paid | 7-12% APR |
| Vehicle Loan | Finance purchase of a car, bike, or other vehicle  Lower interest rates for new vehicles  Fixed monthly payments | 6-15% APR |