



NCC Bank

नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.

Product Paper – NCC Professional Loan

Introduction

This product has been structured for financing personal financial requirement for the Nepali professionals (individuals) having identifiable and stable source of income.

Type of Loan

Mid Term Loan.

Purpose of the loan

- To meet personal needs of an individual (Professional).

Eligibility

- Should be a Nepali Citizen
- Self-employed professionals (Doctors, Engineers, Chartered Accountants, Lawyers Consultants and other Professionals etc)
- Employees of corporate entities
- Any other professional (individual) having identifiable and stable sources of income.

Basic Criteria

- Minimum and Maximum age of the applicant to be 21 years and 65 years respectively by the time of expiry of loan.
- The applicant should have a stable and sustainable source of salary income or consulting fees/remuneration.
- The source of income should be verified through bank account statement and should be acceptable to the bank. In case of requirement the source of income shall also be verified with the supporting of income tax paid/deposited for further confirmation.
- The Mid Term Loan will be considered keeping in view of the financial requirement of the (professional) individual.
- Gross income of the applicant should be double of EMI. This is the decisive criteria to determine the quantum of loan under this product paper.

Loan Amount

- Minimum amount of the loan shall be NPR 100,000
- Maximum amount of the loan shall be NPR 15,00,000

Pricing

Interest Rate 9% p.a.

Processing Fee 0.75% to be collected up front upon approval of the loan

Pricing may be reviewed periodically based on the market scenario.

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Service Delivery 3 to 5 days

Disbursement

- Lump sum after completion of security documentation.

Tenure

- Maximum period of 5 years

Repayment

- The term loan to be repaid in Equal Monthly Installment (EMI) basis.
- The first EMI shall start from 1st day of Gregorian month from the next or next to next month of the disbursement.

Eligible Source of Income

- Salary Income supported by salary statement issued by the employer
- Professional Income supported by Income/ Expenditure statement and bank statement.
- Rental Income and any other income can be considered as an additional cushion.

Insurance

- Accidental insurance of the applicant equal to the loan amount.

Security

- Personal Guarantee/ Corporate Guarantee of the applicant/ employer.
- Personal Guarantee of spouse in case of married of the applicant.
- Insurance policy endorsed in favor of the Bank.
- Demand Promissory Note.
- Loan Deed

Basic Documentation

- CIC report.
- PAN of the applicant
- Proof of Self Tax Assessment Statement submitted to Inland Revenue Office (for professionals other than salary earner)
- Completed application form.
- Completed Know Your Customer (KYC) form.
- Net Worth Declaration Form.
- Family Tree of the applicant.

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- Passport size photograph of the borrower and guarantor.
- Map of the applicants' and the guarantor's residence.
- Copy of Citizenship/passport of the applicant and guarantor.
- Salary Statement from the employed organization/company
- Income statement or cash flow of the applicant – proof for substantiation of the income to be submitted.

Credit Approval Discretion (CAD)

- The CAD is rest with Chief Executive Officer until further notice from the Corporate Office.

Loan Recovery Process

- In case of default of any loan for more than 1 month, a follow up letter would be sent to the borrower immediately
- If the default is not rectified within 2 months from the date of the follow up letter a legal notice of 35 days would be sent in similar manner.
- If the default is not rectified upon initiation of above processes, legal action to be initiated against the Borrower/ Guarantors.

Reporting to Corporate Office

- Monthly / Quarterly statement of NCC-
- Monthly Irregular Statement of NCC-

Note- Branch to prepare separate report for the loan extended under this Product Paper.

Credit Waiver

- The waiver in the terms and conditions of the proposal should specifically approve by Chief Executive Officer under their CAD.

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The 532nd meeting of Management Committee (Board) held on 27th Feb. 2016 has approved this product paper- "NCC professional loan."

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28.02.2016
Company Secretary

