

# ABC Housing Finance Limited – Overview

**ABC Housing Finance Limited** is a nationwide non-banking finance company (NBFC) focused on housing finance in India. With a mission to make homeownership accessible, ABC specializes in a variety of home loan products across urban and semi-urban markets. It operates under Indian regulations (NBFC/Housing Finance Company norms) with branches in major cities and a digital platform for customer convenience. Like other housing financiers, ABC is registered with the National Housing Bank and follows RBI guidelines for lending and borrower protection. Its services include home purchase loans and allied offerings (e.g. loan balance transfers and top-ups), supported by customer-friendly policies and local presence.

## Home Loan Products

ABC offers a comprehensive suite of home loan products to meet diverse borrower needs:

- **Basic Home Loan:** A standard housing loan to purchase a ready-built or under-construction residential property. This loan covers funding up to ~80–90% of the property cost (subject to RBI LTV limits [tatacapital.com](https://www.tatacapital.com)). Typical tenures are up to 30 years [tatacapital.com](https://www.tatacapital.com). (It is used for buying existing houses/flats or projects.)
- **Home Loan for Construction:** For borrowers who own a plot and wish to build a home. Disbursed in stages as construction progresses. ABC finances land purchase and construction costs under one loan (sometimes called a composite home/plot loan) [urbanmoney.com](https://www.urbanmoney.com). Interest rates may be slightly higher than basic loans, and borrowers generally repay interest during construction and principal after completion [urbanmoney.com](https://www.urbanmoney.com).
- **Plot Loan:** A loan to purchase land or a plot for residential construction. For example, Tata Capital advertises plot loans up to ₹5 crore with competitive rates [tatacapital.com](https://www.tatacapital.com). ABC's plot loans fund land purchases (direct allotment or resale), typically at similar interest rates as home loans. (After buying the plot, customers can also apply for a construction loan to build.)
- **Home Renovation Loan:** A loan to renovate, upgrade or remodel an existing home (e.g. kitchen upgrades, repairs, interior revamps). This is a home improvement loan for repair or modernization. ABC's renovation loan allows homeowners to borrow against their property's value to fund improvements. No change in ownership; the loan covers renovation costs such as carpentry, painting, tiling, etc.
- **Home Extension Loan:** A loan to **extend** an existing home (e.g. adding rooms or an extra floor). This differs from renovation as it increases the home's living area. (Axis

Bank calls this a “home improvement” loan for extension([urbanmoney.com](http://urbanmoney.com).) ABC’s extension loan lets borrowers use equity in their home to add space. For example, extending a floor or building an additional wing can be financed under this product.

- **Balance Transfer Loan:** Allows a borrower to transfer an existing home loan from another lender to ABC, typically to get a lower interest rate or better terms. (E.g. transferring a SBI home loan to ABC for a discounted rate.) RBI encourages balance transfers for saving interest([indiatoday.in](http://indiatoday.in)). ABC can handle the paperwork to switch the loan without penalizing the borrower.
- **Top-Up Loan:** An **additional** loan on top of an existing home loan from ABC. The borrower (with good repayment history) gets extra funds over and above the outstanding loan. Per RBI, a top-up home loan “allows a borrower to get additional credit over and above the existing loan”([financialexpress.com](http://financialexpress.com)). ABC’s top-up loan can be used for any purpose (household expenses, education, etc.), subject to LTV restrictions. The top-up is secured by the same property.

Each product’s specific interest rate, loan amount and tenure vary by borrower profile and RBI norms. (For example, ABC may offer 75–90% financing depending on loan size and property value([tatacapital.com](http://tatacapital.com).)

## Eligibility Criteria

ABC requires different criteria for salaried and self-employed applicants:

- **Age:** Applicants must generally be between ~21–65 years at loan maturity([bankbazaar.com](http://bankbazaar.com)). (E.g. HDFC and others set 21–65 or 21–70 for salaried/self-employed([bankbazaar.com](http://bankbazaar.com).)
- **Employment/Income:**
  - *Salaried:* Minimum income (often ₹25,000–30,000 per month)([icicibank.com](http://icicibank.com)). Stable employment with a track record (e.g. ≥2–3 years total work experience). Employers should be registered (with PF/ESI), and income proof (salary slips, Form 16) required.
  - *Self-Employed:* Minimum business income (often ~₹30,000/month or ₹3 lakhs/year)([icicibank.com](http://icicibank.com)). Must have a well-established business (typically ≥3 years in operation) with consistent profits. Required documents include audited financials (P&L, balance sheet) and tax returns (ITR) for last 2–3 years.

- **Credit Score:** A good CIBIL/CRIF score (typically  $\geq 650$ ) is preferred [bankbazaar.com](https://bankbazaar.com). A clean credit history (no major defaults) is essential.
- **Nationality/Residence:** Indian citizens or PIO/OCI may apply; some NBFCs also lend to NRIs.
- **Property:** The property (for which loan is sought) must have clear title, approved plan, and fall within NHB eligibility rules (e.g. construction permissions).
- **Other:** For self-employed (professionals), proofs like degree/qualification and business licenses may be needed (Axis Bank notes professionals as eligible with verifiable practice) [axisbank.com](https://axisbank.com). Some products may require co-applicants (spouse, parent) to improve eligibility.

*Example (from ICICI Bank):* Salaried individuals need at least ~₹25,000/month; self-employed ~₹30,000/month [icicibank.com](https://icicibank.com). HDFC notes age 21–65 and residency requirements [bankbazaar.com](https://bankbazaar.com). (Actual criteria vary by lender and borrower.)

## Documentation Checklist

Applicants must provide thorough documentation. Key documents include:

- **Identity Proof:** PAN card, Aadhaar, Voter ID, Passport, or Driving License (photocopies) [axisbank.com](https://axisbank.com).
- **Address Proof:** Utility bills (electricity, gas), Aadhaar, Passport, Voter ID, Rental agreement, or Driving License [axisbank.com](https://axisbank.com). (Usually 2–3 forms required.)
- **Photographs & KYC:** Passport-size photos, signed application form, KYC forms (FEMA declaration for NRIs) etc.
- **Income/Employment Proof:**
  - *Salaried:* Last 3–6 months' salary slips, latest Form 16 (FY's tax certificate), bank statements (showing salary credits) for 6–12 months, employment certificate/letter.
  - *Self-Employed:* Income tax returns (ITRs) for last 2–3 years, audited financial statements (P&L, balance sheet) with CA seal, business registration documents (GST, MSME/Udyam registration, business PAN), bank statements 6–12 months, profit/loss proofs.

- **Property Documents:** Sale agreement or allotment letter, original title deed or conveyance deed, approved building plan and layout, NOC from society/building (if applicable), Encumbrance Certificate (EC) showing clear title, and municipal tax receipts. These are required *after sanction* to mortgage the property.
- **Miscellaneous:** Proof of age (birth certificate, matriculation, PAN), signed consent/occupation letters, processing fee payment receipt, and if purchasing from a builder, the builder's approval forms.
- **Co-applicants:** If any (e.g. spouse), the co-applicant must also submit KYC, income proofs, and consent documents.

Axis Bank summarizes the essentials: "Proof of identity (PAN, Aadhaar, passport, voter ID), address proof (utility bills, Aadhaar, passport), income proof (salaried: last 3 months' salary slips, Form 16; self-employed: ITRs and bank statements) and property documents (sale agreement, title deed, approved plan)" [axisbank.com](https://www.axisbank.com). Salaried applicants must also furnish employment details/certificates, while self-employed must show company documents and returns [axisbank.com](https://www.axisbank.com).

## Interest Rates, Fees and Charges

- **Interest Rates:** ABC offers competitive floating-rate home loans. Current market rates start around **7.85% p.a.** (for top-tier borrowers) [bankbazaar.com](https://www.bankbazaar.com). In practice, typical offers range roughly **8.0%–9.5% p.a.** depending on profile and product. For example, BankBazaar reports many banks' rates from ~7.85% upward [bankbazaar.com](https://www.bankbazaar.com). ABC's rate band will be similar (subject to credit risk). Fixed-rate options (if any) are usually slightly higher. Rates are revised periodically (tied to RBI repo/MCLR/TVT).
- **Processing Fee:** A one-time fee charged at loan origination. Banks/HFCs usually charge **0.25%–1% of the loan amount** (often capped). For example, SBI charges up to 0.35%, HDFC up to 0.50%, ICICI up to 0.50–2%, Axis up to 1%, etc [mymoneymantra.com](https://www.mymoneymantra.com). ABC may charge around **0.5%–1% + GST** (or a fixed amount). Many lenders waive fee for larger loans or under special offers. Note: processing fee is non-refundable once paid.
- **Prepayment/Foreclosure Charges:** RBI rules allow **no foreclosure charge on floating-rate loans** [tatacapital.com/indiatoday.in](https://tatacapital.com/indiatoday.in). In Nov 2023 RBI waived prepayment fees for floating home loans [indiatoday.in](https://indiatoday.in). Thus, if ABC offers floating-rate home loans (common in India), borrowers can prepay or close the loan anytime without penalty [indiatoday.in](https://indiatoday.in). Fixed-rate loans (less common nowadays) can still incur a foreclosure fee – RBI permits up to 3% of outstanding on fixed-rate loans [indiatoday.in](https://indiatoday.in) (banks' policies vary, often ~2%). In summary: **Floating loans = no penalty; Fixed loans = typically up to 2–3% charge** on the outstanding amount (per RBI)

guideline[indiatoday.in](http://indiatoday.in)).

- **Other Charges:** Standard additional charges include late payment fees (for EMI defaults), stamp duty on mortgage (as per state laws), legal/technical verification fees, and documentation charges (if any). ABC will follow RBI/HFC norms on all fees.

**Table: Fees & Charges** (indicative ranges)

Charge Type	Typical Range (of loan amount)	Notes
<b>Processing Fee</b>	0.25% – 1.00% of loan + GST	Many banks ~0.5%; sometimes a min/flat ₹.
<b>Prepayment Fee</b>	0% (floating-rate loans)	Per RBI, no fee on floating loans <a href="http://tatacapital.com">tatacapital.com</a> . Fixed loans: ≤3% allowed <a href="http://indiatoday.in">indiatoday.in</a> .
<b>Foreclosure Fee</b>	0% (floating loans) – ~2–3%	Same as prepayment above.
<b>Late Payment Penalty</b>	1–2% of overdue EMI	Charged if EMI is late beyond grace period.
<b>Technical/Legal Fees</b>	As applicable	Sometimes one-time during processing.
<b>Stamp Duty/Mortgage</b>	Fixed by state law	Paid by borrower on loan documents.

## Loan Amount, Tenure and LTV

- **Loan Amount Range:** ABC grants home loans from a **minimum of ~₹1 lakh** up to tens of crores (depending on applicant's eligibility). In practice, banks/NBFCs approve up to **₹10–15 crore** for very high-income profiles[bankbazaar.com](http://bankbazaar.com)[bankbazaar.com](http://bankbazaar.com). For example, HDFC and BoB allow up to ₹10 cr[bankbazaar.com](http://bankbazaar.com)[bankbazaar.com](http://bankbazaar.com), and Indiabulls up to ₹15 cr[bankbazaar.com](http://bankbazaar.com). Smaller borrowers may get lower amounts; ultimate sanction depends on income and property value.
- **Repayment Tenure:** Up to **30 years** is typical[tatacapital.com](http://tatacapital.com)[bankbazaar.com](http://bankbazaar.com). RBI permits maximum 30-year tenure for most home loans[tatacapital.com](http://tatacapital.com). ABC will likely offer up to 25–30 years. Younger borrowers can take full 30-year loan; older applicants get reduced tenure so loan finishes by ~65–70 years old[tatacapital.com](http://tatacapital.com).

- **Loan-to-Value (LTV) Ratio:** Per RBI, loans ≤₹30 lakh can be up to 90% of property value; loans ₹30–75 lakh up to 80%; above ₹75 lakh up to 75%[tatacapital.com](https://www.tatacapital.com). Thus, on a ₹50 lakh property, ABC could lend up to ₹40 lakh (80% LTV)[tatacapital.com](https://www.tatacapital.com). ABC sets LTV according to these RBI caps. A higher down payment (i.e. lower LTV) may be needed for expensive properties. Any cost beyond purchase price (e.g. stamp duty) is extra and not counted in LTV.

## Application Process (Step-by-Step)

Applying for an ABC home loan involves the following steps (similar to most banks/HFCs):

1. **Loan Application:** Customer fills ABC's home loan application form (online or at branch). Provide personal, income, property and loan details. Submit basic KYC documents and income proofs[axisbank.com](https://www.axisbank.com).
2. **Document Submission:** Attach all required documents as listed above (ID, address, income proof, property papers, etc.). If self-employed, submit company accounts and ITRs.
3. **Processing Fee Payment:** Pay the processing fee (as per ABC's schedule) to initiate processing[axisbank.com](https://www.axisbank.com).
4. **Credit Appraisal:** ABC verifies applicant details: credit history, income, and property valuation. (Axis Bank notes a possible face-to-face/phone interview or field verification at this stage[axisbank.com](https://www.axisbank.com).)
5. **Sanction:** If eligible, ABC issues a *sanction letter* detailing approved loan amount, interest rate, tenure, and terms[axisbank.com](https://www.axisbank.com). The applicant reviews, signs, and returns acceptance.
6. **Technical & Legal Verification:** An approved technical expert (engineer/architect) inspects the property (especially if under-construction)[axisbank.com](https://www.axisbank.com). ABC's legal team verifies title deeds and approvals (checking ownership, no disputes)[axisbank.com](https://www.axisbank.com). Originals of property papers must be submitted.
7. **Agreement Signing:** Once verifications clear, the loan agreement is prepared and stamped. The borrower(s) must sign the loan documents and usually submit post-dated cheques or ECS mandate[axisbank.com](https://www.axisbank.com).
8. **Disbursal:** After formalities, ABC disburses the loan amount. If property is ready, full amount is paid out; if under construction, disbursal occurs in stages (linked to project progress)[axisbank.com](https://www.axisbank.com). The borrower then begins repayment as per schedule.

*Citations:* As Axis Bank notes, the process includes application with documents, processing fee, verification, sanction letter, technical check, legal check, signing, and disbursement [axisbank.com](https://www.axisbank.com) [axisbank.com](https://www.axisbank.com) [axisbank.com](https://www.axisbank.com). ABC's process follows this standard sequence.

## EMI Calculation Examples

The Equated Monthly Instalment (EMI) is calculated using the standard formula (BankBazaar formula):

$$EMI = \frac{P \times r \times (1+r)^n}{(1+r)^n - 1}$$

where  $P$  = principal,  $r$  = monthly interest rate,  $n$  = number of months [bankbazaar.com](https://www.bankbazaar.com).

### Examples:

- **Loan ₹50 lakh, Tenure 20 years, Rate 8.0%:** EMI ≈ ₹41,822. (Calculation:  $P=50,00,000$ ;  $r=8\%/12=0.006667$ ;  $n=240$ ) [bankbazaar.com](https://www.bankbazaar.com).
- **Loan ₹1 crore, Tenure 25 years, Rate 9.0%:** EMI ≈ ₹83,920. ( $P=1,00,00,000$ ;  $r=9\%/12$ ;  $n=300$ ) [bankbazaar.com](https://www.bankbazaar.com).
- **Loan ₹20 lakh, Tenure 15 years, Rate 7.5%:** EMI ≈ ₹18,540.

These examples illustrate how EMI rises with higher loan amount, rate, or shorter tenure. (Users can use ABC's EMI calculator or BankBazaar's tool as referenced on its site [bankbazaar.com](https://www.bankbazaar.com).)

## Tax Benefits of Home Loans

Indian tax law provides deductions on home loan repayment:

- **Principal Repayment (Section 80C):** Principal component of EMI is deductible under Section 80C, up to ₹1.5 lakh per financial year [aavas.in](https://www.aavas.in). (This is the same limit as for other 80C investments.) The property must not be sold within 5 years of possession, or the 80C benefit is reversed.
- **Interest Payment (Section 24(b)):** Interest on the home loan is deductible up to ₹2 lakh per year for a self-occupied property [aavas.in](https://www.aavas.in). (For a rented/let-out property, there is no upper limit on interest deduction, though net loss setoff rules apply.) Interest paid during construction can be claimed in 5 equal instalments after completion [aavas.in](https://www.aavas.in).



- **Additional Deductions:** First-time homebuyers may claim an extra ₹50,000 under Section 80EE subject to conditions (loan ≤ ₹35 lakh, property ≤ ₹50 lakh)[aavas.in](https://aavas.in). Affordable housing loans can get an additional ₹1.5 lakh (Section 80EEA) if property ≤ ₹45 lakh[aavas.in](https://aavas.in).
- **Joint Loans:** In joint loans, each co-borrower (if co-owner) can claim ₹1.5 lakh (80C) and ₹2 lakh (24) individually[aavas.in](https://aavas.in). For example, a husband-wife taking a home loan jointly could claim up to ₹3 lakh total (1.5 each) on principal.
- **No Deduction on Fees:** Note that processing fees or foreclosure penalties are **not** tax-deductible[aavas.in](https://aavas.in). However, any prepaid principal still qualifies for 80C (within the ₹1.5L cap)[aavas.in](https://aavas.in).

*Reference:* ABC's customers can leverage these deductions. (See Aavas blog: "Principal portion qualifies under 80C (₹1.5L limit); interest portion under Section 24 (up to ₹2L)[aavas.in](https://aavas.in). Co-borrowers each get separate limits[aavas.in](https://aavas.in).)

## Frequently Asked Questions (FAQs)

- **Q: Who can apply for an ABC Home Loan?**  
**A:** Both salaried and self-employed Indian nationals can apply[aavas.in](https://aavas.in). Typical requirements: age 21–65, stable income/employment, and good credit. Salaried applicants need regular salary (min ~₹25k/month)[aavas.in](https://aavas.in); self-employed need documented business income (min ~₹30k/month) with audited accounts/ITRs. All borrowers must submit valid ID, address and income proofs, and the property must be approved for collateral.
- **Q: What interest rates does ABC charge?**  
**A:** ABC's home loan rates are floating and market-linked. Currently, rates start from about **7.85% p.a.**[aavas.in](https://aavas.in) for top-quality profiles. Most customers will see rates roughly in the **8–9%** range. Exact rate depends on loan type, amount, and borrower credit. (For comparison, leading banks offer ~7.85% onward[aavas.in](https://aavas.in); ABC will be competitive with these.)
- **Q: How are EMIs calculated?**  
**A:** EMIs are calculated using the standard formula:  

$$EMI = \frac{P \times r \times (1+r)^n}{(1+r)^n - 1}$$
 where  $P$  = loan amount,  $r$  = monthly interest rate (annual rate/12),  $n$  = total months[aavas.in](https://aavas.in). ABC provides an online EMI calculator. *Example:* A ₹50 lakh loan at 8% for 20 years yields EMI ≈ ₹41,822[aavas.in](https://aavas.in).



- **Q: What is the Loan-to-Value (LTV) ratio?**

**A:** LTV is the percentage of the property's value that ABC can finance. RBI guidelines allow up to **90%** LTV if loan  $\leq$  ₹30L, **80%** if ₹30–75L, and **75%** if  $>$  ₹75L [tatacapital.com](https://www.tatacapital.com). In practice, for a ₹50 lakh property ABC would lend up to ₹40 lakh (80% LTV) [tatacapital.com](https://www.tatacapital.com). Borrowers must fund the rest via down payment.

- **Q: What processing fee and charges apply?**

**A:** ABC charges a one-time processing fee, typically **0.5%–1% of the loan amount** + GST (or a nominal fee). For example, many banks charge 0.25–0.5% [bankbazaar.com](https://www.bankbazaar.com). There is no fee for converting to a floating rate since foreclosure on floating loans is free. If a borrower chooses fixed-rate, a foreclosure (prepayment) fee up to ~3% of the outstanding may apply [indiatoday.in](https://www.indiatoday.in) (per RBI). Late EMI payments incur small penalties (usually 1–2% per month). All charges comply with RBI/HFC norms.

- **Q: Can I prepay or foreclose my home loan early?**

**A:** Yes. RBI rules allow *no penalty* on prepayment of floating-rate home loans [indiatoday.in](https://www.indiatoday.in). If your ABC loan is floating, you can repay early (in part or full) with no extra charge. (This RBI rule was updated in Nov 2023 [indiatoday.in](https://www.indiatoday.in).) If you have a fixed-rate loan, foreclosure fees may apply (RBI permits up to 3% of the outstanding [indiatoday.in](https://www.indiatoday.in)). ABC's policies follow these guidelines.

- **Q: What tax benefits do I get on home loan repayment?**

**A:** You can claim tax deductions on both the principal and interest. The principal portion (EMI principal) is deductible under Section 80C, up to ₹1.5 lakh per year [aavas.in](https://www.aavas.in). The interest portion is deductible under Section 24(b), up to ₹2 lakh per year for a self-occupied home [aavas.in](https://www.aavas.in). Thus you can reduce taxable income by these amounts while repaying your ABC loan. Co-borrowers/co-owners each get separate limits (₹1.5L principal + ₹2L interest each) [aavas.in](https://www.aavas.in). Remember, fees or penalties are *not* deductible [aavas.in](https://www.aavas.in).

- **Q: What documents will I need?**

**A:** Generally, ABC requires:

- **ID & Address Proof:** PAN, Aadhaar, Passport, Voter ID, Driving License, utility bills, etc. [axisbank.com](https://www.axisbank.com).
- **Income Proof:** For salaried – 3–6 months' salary slips, Form 16, 6-month bank statements [axisbank.com](https://www.axisbank.com). For self-employed – 2–3 years' ITRs, audited P&Ls, business registration (PAN), and 6–12 month bank statements.
- **Property Papers:** Sale deed/allotment letter, approved building plan, NOC from society, title documents (EC), etc. [axisbank.com](https://www.axisbank.com).

- **Other:** Photos, signed application, processing fee receipt. (Axis Bank explicitly lists PAN, Aadhaar, DL as KYC, plus salary slips or ITRs for income [axisbank.com](https://axisbank.com).)
- **Q: How long does loan approval take?**  
**A:** Typically **1–2 weeks** after full documentation (for ready properties). ABC aims for quick turnaround. After submission, ABC will verify docs, inspect the property, and finalize sanction. Disbursement follows once the mortgage is executed. For under-construction homes, processing may take slightly longer due to stage-wise checks.
- **Q: Can I transfer my existing home loan to ABC?**  
**A:** Yes – ABC offers **Balance Transfer**. You can move an ongoing home loan from another bank/HFC to ABC to get lower interest or better service. The outstanding principal is paid to the old lender, and ABC starts a new loan. RBI encourages transfers, and no prepayment fee is charged on floating loans during transfer [indiatoday.in](https://indiatoday.in). ABC will quote you the rate and process the documentation.
- **Q: What if I need extra funds after taking a loan?**  
**A:** You may be eligible for a **Top-Up Loan**. After a certain period (with a good repayment record), ABC can extend additional credit on your existing home loan security. This top-up is treated like another loan (with its own EMI) and can be used for any legitimate purpose. As explained, “a top-up home loan allows additional credit over and above the existing loan” [financialexpress.com](https://financialexpress.com). ABC will follow RBI’s LTV norms on the aggregate loan amount.

These answers cover common customer queries. For any other questions, ABC’s loan officers can provide details tailored to your case. All information above is aligned with prevailing RBI guidelines and typical industry practice [bankbazaar.com](https://bankbazaar.com) [indiatoday.in](https://indiatoday.in) [aavas.in](https://aavas.in).