








HOME
LOANPERSONAL
LOANBUSINESS
LOANBALANCE
TRANSFERCREDIT
CARDSEDUCATION
LOANCAR
LOANWORKING
CAPITALCHILD
PLANSHOME
INSURANCEENDOWMENT
PLANVEHICLE
INSURANCETERM
INSURANCEFIRE
INSURANCEPERSONAL
ACCIDENTTRAVEL
INSURANCEHEALTH
INSURANCEPENSION
PLANS

Product handbook

TRAINING HANDBOOK
PERSONAL LOAN

Table of Contents:

Contents

 What is a Personal Loan?.....	3
Uses.....	3
Advantages	3
 Documentation.....	4
Salaried	4
Self employed	4
Customer KYC	4
Company KYC.....	4
 Repayment of loan.....	4
 Financial Institutions we deal in!	5
 Conditions Apply*	5
 Income Eligibility.....	6
 Glossary	7

What is a Personal Loan?

A **personal loan** is a short to medium term unsecured loan (no collateral) that you can use to meet current financial needs. It is an unsecured loan which means a loan offered without keeping any assets (e.g., house or car) as collateral. Unsecured personal loans are offered based on the applicant's credit history. If you have not defaulted on payments of an earlier loan and have paid all your credit card bills on time, you will be viewed as a low-risk borrower.

Interest rates for personal loan is allocated according to the customer's salary, the amount being borrowed, loan tenure and Category list that differ from one lender to another.

A personal loan requires minimum paper work and is often approved within 48 hours of submitting an application; provided eligibility criteria is met.

Personal loans act as the best-fitted medium to smoothen up cash flow at times of stringency. The key reason for some to prefer a personal loan is because of minimal documentation.

Uses

- ❖ Wedding expenses
- ❖ Renovations
- ❖ Buy a new home appliances, small office equipment, mobiles and other gadgets
- ❖ Vacations
- ❖ Pay off credit card bills or other debts

Advantages

- ✓ Low interest rates and competitive offers
- ✓ Rates offered are often better than credit cards
- ✓ Ability to finance a variety of needs and expenses
- ✓ Easy and simple online application processes
- ✓ Loans are unsecured and not tied to an asset
- ✓ Consumers get their funds fast - usually in 1 to 5 business days

Documentation

Salaried

- Proof of identity: Pan card/passport/voter ID card/driving license/election card/photo identity card issued by government
- Proof of address: Copy of ration card/telephone or electricity bill/rental agreement/passport
- Last 3 months bank statement/6 months bank passbook where salary is credited
- Last 3 months salary slip/ current dated salary certificate with the latest Form 16
- 3 latest photographs with self-attested documents
- Owned residence proof

Self employed

Customer KYC

- Proof of identity: Pan card/passport/voter ID card/driving license/election card/photo identity card issued by government
- Proof of address: Copy of ration card/telephone or electricity bill/rental agreement/passport

Company KYC

- Office Proof (Shop and Establishment Cert /Gumasta or other registered document)
- Office Utility bill in the name of office (Phone or Electricity bill)
- Other Documents (VAT, Service Tax, Sales/Purchase)
- In case of partnership- Copy of partnership deed
- In case of SEP- Certificate of practice
- Last 6 months bank statement
- Business continuity proof

Repayment of loan

- Equated Monthly Instalments (EMI's)
- Post-dated cheques favoring Banks
- Mandate bank to directly debit the same or by ECS (Electronic Clearing Services)

Financial Institutions we deal in!

Personal Loan
HDFC Bank
ICICI Bank
Kotak Mahindra Bank
Axis Bank
Yes Bank
IDFC Bank
Standard Chartered Bank
Bajaj Finance
Tata Capital
Capital First
Fullerton

Conditions Apply*

1. Age – minimum 21 years; Tenure – 1 year to 5 years.
2. Salary should be credited in salary account with any bank.
3. Salary in cash is not acceptable.
4. NBFCs like Fullerton and Capital First accept salary in cheque.
5. Minimum Salary requirement Rs.20,000/- per month (differs bank to bank); details in Comparison grid.
6. Pre-defined category list of each Bank/NBFC with pricing grid.
7. No other loan EMI bounces/cheques inwards in recent times.
8. In case of married women (surname change) – relationship proof eg. Marriage certificate.
9. Application form should be duly filled with relevant details or else there is a delay in login of the case.
10. Generally lock-in period of 6 months for prepayment of loan
11. IDFC allows part pre-payment with high interest rates

Income Eligibility

NET salary per month

(-)FOIR %

(-)Monthly obligation (other EMIs/Rent)

= EMI serving capacity

Divided by per lac EMI

= Eligible loan amount

****Multiplier applied to the income to increase the eligibility of the customer (varies FI to FI)**

Glossary

SEP – Self Employed Professional (Doctors, CAs and Architects; Corporate Lawyers in few cases)

SENP – Self Employed Non Professional

FI – Financial Institution (Bank and NBFCs)

FOIR – Fixed Obligation to Income Ratio