

11. Loan Closing & Closure Questions

1. How do I close a loan early, and are there any penalties or fees for doing so?

To close your loan early (pre-closure or foreclosure), you need to pay off the entire outstanding principal along with any applicable interest and charges. For personal loans, ICICI Bank typically charges a pre-closure fee of 3% of the outstanding principal plus taxes if you close the loan before completing 12 EMIs. After 12 EMIs, there are generally no pre-closure charges for personal loans. For home loans, prepayment charges may apply depending on your loan agreement and the type of interest rate. Always check your specific loan terms for details.

2. What happens to my collateral once my loan is paid off in full?

Once your loan is fully repaid, ICICI Bank will release the collateral. For home loans, this means returning your property documents. For car loans, the hypothecation on your vehicle will be removed. You will receive a No Objection Certificate (NOC) and other relevant documents, confirming the release of the bank's charge over the asset.

3. Can I transfer my loan balance to another lender if I find a better interest rate?

Yes, you can transfer your outstanding loan balance to another bank or lender (a process known as balance transfer) if you find better interest rates or terms. The new lender will pay off your existing loan, and you will start repaying the new lender as per the new agreement. There may be foreclosure charges from ICICI Bank and processing fees from the new lender.

4. What documents do I need to submit when closing my loan account?

You will need to submit a foreclosure request form, valid ID proof, your loan account details, and the foreclosure or pre-closure statement issued by the bank. Make sure all outstanding dues are cleared before submitting your request. For secured loans, you may also need to provide the original collateral documents for verification.

5. How can I get a No Due Certificate or loan closure statement?

You can request a No Due Certificate (NOC) or loan closure statement online through ICICI Bank's website or by visiting a branch. After your loan is closed and all dues are settled, the bank will issue these documents, which serve as proof that you have no outstanding liability.

6. Can I request a loan closure if I've already paid off the principal but still have outstanding interest payments?

No, you must clear the entire outstanding amount, including both principal and any accrued interest, before your loan can be officially closed. Only after full settlement will the bank process your closure request and release any collateral or issue closure documents.