

17. Loan Repayment & Refinancing

1. What happens if I can't afford to make my monthly EMI payment on time? Can I delay payments or make part payments?

If you miss an EMI payment, ICICI Bank charges a late fee of 5% per annum on the overdue amount until it is paid. You may also be charged ₹500 for bounced payments. While delaying payments is not encouraged, you can make part payments to reduce your outstanding principal, though part payment charges may apply during the initial period of your loan.

2. How does loan refinancing work? Is it possible to switch to a lower interest rate after taking out a loan?

Loan refinancing means taking a new loan to pay off your existing loan, usually to benefit from a lower interest rate or better terms. ICICI Bank allows refinancing or balance transfer of home loans, personal loans, and car loans. This can help reduce your EMI or shorten your loan tenure.

3. Can I refinance my home loan to reduce my monthly EMI or shorten the tenure?

Yes, refinancing your home loan with ICICI Bank can help you lower your EMI by extending the tenure or reduce the tenure to pay off the loan faster, depending on your preference and eligibility.

4. What are the pros and cons of refinancing a loan compared to taking a new loan for the same purpose?

- **Pros:** Lower interest rates, reduced EMIs, better loan terms, and simplified repayment if consolidating multiple loans.
- **Cons:** Processing fees and foreclosure charges may apply on the existing loan, and the refinancing process takes time.

5. How do I know when it's the right time to refinance my loan?

It's a good time to refinance if interest rates have dropped since you took your loan, your credit score has improved, or you want to change your loan tenure or EMI amount. Also, if you find a better offer from another lender, refinancing can be beneficial.

6. How long does the refinancing process take? Is it faster than applying for a new loan?

Refinancing usually takes a few days to a couple of weeks, depending on document verification and property evaluation (for home loans). It can be faster than applying for a new loan because some documents and credit history are already available.

7. Can I refinance a personal loan to get a better interest rate or lower EMI?

Yes, you can refinance or transfer your personal loan to ICICI Bank to avail of better interest rates or lower EMIs, subject to eligibility and approval.

8. Is it possible to convert my car loan into a personal loan or a home loan?

No, you cannot convert a car loan into a personal or home loan. Each loan type is designed for specific purposes and has different terms and collateral requirements. However, you can apply separately for a new loan if needed.

