3. Loan Amount & Interest Rate Questions

1. **What is the interest rate for home loans, personal loans, and car loans?**
   ICICI Bank's interest rates vary by product and applicant profile. As of recent data:

- **Home loans** typically start from around 8.75% per annum.
- **Personal loans** generally range from 10.65% to 16% per annum.
- **Car loans** usually start from about 8.75% per annum.
  Rates can fluctuate based on market conditions, loan amount, tenure, and your credit profile.

2. **How is the interest rate for loans determined? Does it depend on my credit score?**
   The interest rate is determined by several factors:

- **Credit score:** A higher credit score can help you secure a lower interest rate.
- **Type of loan:** Secured loans (like home or car loans) often have lower rates compared to unsecured loans (like personal loans).
- **Repayment tenure:** Sometimes, longer tenures may attract higher rates.
- **Relationship with the bank:** Existing customers or those with a strong relationship may get preferential rates.

- **Market rates:** The bank's lending rate is influenced by the RBI's repo rate and other economic factors.

3. **Do you offer fixed-rate or floating-rate loans, and what are the differences between them?**
   ICICI Bank offers both **fixed-rate** and **floating-rate** loans:

- **Fixed-rate loans:** The interest rate remains constant throughout the loan tenure, so your EMI does not change.

- **Floating-rate loans:** The interest rate can fluctuate based on changes in the bank's benchmark rate (like the Repo Linked Lending Rate). This means your EMI can increase or decrease during the loan period.

4. **Can I change my loan's interest rate from floating to fixed after it's been disbursed?**
   ICICI Bank generally allows you to switch from floating to fixed rate (or vice versa) during the loan tenure, but this may involve a nominal conversion fee and is subject to the bank's policy at the time of request.

5. **How is the interest on my loan calculated? Is it calculated monthly, yearly, or daily?**
   Interest is usually calculated on a **monthly reducing balance** basis. This means interest is charged on the outstanding principal at the end of each month. The EMI formula used is:

$$EMI = \frac{P \times R \times (1+R)^N}{(1+R)^N - 1}$$

where P = principal, R = monthly interest rate, N = tenure in months.

6. **What is the impact of a high interest rate on my total loan repayment?**
   A higher interest rate increases your EMI and the total interest paid over the loan tenure, making the loan more expensive overall.

7. **Are there any hidden charges or fees associated with the interest rate?**
   ICICI Bank discloses all charges upfront. In addition to interest, there may be processing fees, prepayment charges, conversion fees (for rate changes), and late payment penalties. It's important to review the loan agreement for a detailed list of applicable charges.

8. **Can I get a discount on the interest rate if I have an existing relationship with the bank?**
   Yes, existing customers or those with a strong relationship (such as salary account holders or long-term customers) may be eligible for preferential or discounted interest rates.

9. **What happens if the interest rate changes during the tenure of my loan?**
   For **floating-rate loans**, your EMI or loan tenure may change if the interest rate is revised. For **fixed-rate loans**, your EMI remains unchanged regardless of market rate movements.

10. **How much will my monthly EMI be for a loan amount of X over a period of Y years?**
    Your EMI depends on the loan amount, interest rate, and tenure. You can use ICICI Bank's online EMI calculators by entering your loan amount, interest rate, and tenure to get an instant estimate of your monthly EMI and total interest payable.

11. **If I make an early repayment, will the interest be recalculated? How does this impact the total interest paid?**
    If you make a prepayment or early repayment, the outstanding principal reduces, and the interest for subsequent months is

calculated on this lower principal. This can significantly reduce your total interest outgo and may also shorten your loan tenure, depending on your repayment choice.