**Product Features**

Personal Loan is a type of Term Financing which helps to meet customer’s current financial needs. Personal loan gives the flexibility to use funds as per convenience and need. Applicant does not need to provide any Security/Collateral to avail it.

**Product Feature / Benefits / Unique Selling Points:**

• Branch Distribution network across Pakistan (600+ branches)  
• Competitive Pricing  
• Minimum Processing Time (11 working days)  
• Offering to multiple segments  
• Personalized Services through vast Conventional Branch Network & working in 200+ cities  
• Designated Personal Loan sales staff (However, in cities where BAFL collection arrangement is not available, only BAFL employees, branch referred & recommended  customers, Payroll (BAW) and the salary transfer segment (individuals maintaining a salary account with BAFL other than BAFL employees & BAW payroll can avail the facility)  
• Balloon Payment options  
• Multiple Payment Channels (ATM, Direct Debit, Cross Cheque)

**Tenure:**

Flexible variable tenure from 1 to 4 years

**Repayment Mode**

* Non Checking Account
* Direct Debit
* Cross Cheque
* Drop Box
* ATM/Internet Banking
* Cash Payment at branches

**Product Types**

* Cash Loans
* Purchase Loan
* Top Up

**Target Market**

**Target Age Group:**

Minimum Age: 21 Years

Maximum Age:(at loan maturity) 60 years for Salaried, 65 Years for Self Employed Business (SEB)/Self Employed Professional (SEP)

**Solicitation Areas:**

* Karachi, Lahore, Islamabad/Rawalpindi, Multan & Faisalabad and all cities where BAFL collection arrangement is available.
* Service areas limited to same city codes.
* All other BAFL branches - only for branch referred & recommended (provided EV is conducted by branch), STS & Payroll Segment

**Eligibility Criteria**

**Income Criteria:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **LTM** | | **STM** | | **Gov./AMF/LEA** | | **SEB/SEP** |
| **Type** | **ETB/RH** | **NRH** | **ETB/RH** | **NRH** | **ETB/RH** | **NRH** | **All** |
| Perm & Contractual | 50,000 | | 50,000 | | 50,000 | | 75,000 |
| 3rd Party Contract | N/A | |
| Payroll | 50,000 | | | | | | |

* Informal sources such as cash salary will not be entertained.
* 50% of the average of last 6 months consistently recurring performance incentive & bonus can be clubbed for BAFL/ LTM/STM (Permanent & Company Contractual).
* Income from source (s) - other than the primary one - can be clubbed with the primary income to arrive at total income. Other income that is being clubbed cannot be more than 50% of the primary income.

**Years in Employment / Business**

**LTM**

* Permanent/1st Part Contract: 1months in total employment.
* Outsourced  / 3rd Party Contractual: 3 months in total employment.

**STM**

* Permanent: 3 months in total employment.

**SEB/SEP**

* Total Business/Experience tenure of 12 months

\*No minimum employment requirement for BAFL employee

**Customer Segments**

|  |  |
| --- | --- |
| LTM (large Target Market) | Category A, B, Government Employees, Armed Forces |
| STM (Small Target Market) | Category Unapproved (permanent staff only), C & G Companies |
| Self Employed | Self-employed businessmen and professionals |

**Relationship Segments:**

|  |  |
| --- | --- |
| Payroll | Employees of Payroll (BAW) companies whose salary accounts are with BAFL |
| STS | Individuals whose salary is being transferred in BAFL other than Payroll Segment and BAFL Employees |
| Asset Relationship preferred customers (ARPC) | Salaried/Self employed having at least 6 month Asset relationship  with BAFL with good payment history |
| Branch Relationship preferred customers (BRPC) | Salaried/Self Employed having 6 month active branch relationship |

**Debt Burden:**Max DBR capped at 40% as per revised SBP regulations

|  |  |  |
| --- | --- | --- |
| **Maximum DBR** | **Category A & B** | **Category C, G, unapproved & Self Employed** |
| Less than 6 months Total Bureau history/relationship | 40% | 30% |
| 6 months to less than 12 months Bureau history/ relationship | 40% | 35% |
| At least 12 months Total Bureau History/relationship | 40% | 40% |

**Policy for Payroll Segment:**Same policy as for the staff of LTM Category A companies will be applicable to BAFL payroll segment unless mentioned otherwise

**Credit Policy:**

**History Check:**

* Presently not in 30DPD in any products
* Not more than once in 30DPD in last 6 months
* Not more than twice in 30DPD in last 12 months
* Never in 60DPD in last 12 months
* No default

**Summary of Amendments in Credit Policy**

* Limit Enhancement
  + Max Loan amount up to 3 Million (\*subject to condition that clean limit assigned to a prime customer, on account of, personal loans limit will not exceed Rs.4 million)
* Top Ups/Income based enhancements
  + The Customer must have minimum 12MOB relationship in an existing facility. In case of such customer is Rich-Hit (at the time of top up of the facility) on any other facility other than BAFL personal loan, such customer will be eligible for loan top with 6MOB.
* CRITERIA FOR ISSUANCE OF LOAN TO PEPS & High Risk
  + Loan up to 2,000,000/- will be approved by Group Head Consumer Retail
  + Loan above 2,000,000/- will be approved by Group Head Retail & CRO
* Verification of Customer
  + Scenarios where verifications to be conducted are beyond EAMU reach, collection and recovery team may support to conduct physical verification.
  + Internal Verification to be performed on Residential and Office contact points (customer land line no not mandatory)

**Personal Reference:**

Two references not living with the customer.  In case applicant is of age 25 or below then the references should not be of his subordinates.

Risk Acceptance criteria for Roshan Digital Account (RDA) Customers. (refer to pg. 30 of the revised policy)

**Documentation Required**

**Documents Required:**

|  |  |
| --- | --- |
| **Salaried** | **SEB/SEP** |
| * Application Form | * Application Form |
| * CNIC | * CNIC |
| * Salary Slip/Salary Certificate | * 6 Months Bank Statement / Over Draft a/c statement (if applicable) |
| * 3 months Bank Statement (only for STM) * LTM = No bank statement required * STM / Self employed = as per length of employment requirement | * For SEB: Tax Returns/NTN, Bank Certificate or any related Proof of Business |
|  | * For SEP: Relevant supporting documents |
|  | |

*Note: In case of photocopies of documents, sales/case referring  staff is required to see original and mark ‘original seen’ on the photocopied documents*

**Transactional Information**

It include daily limits, min & max financing amount

**Loan Limits:**

* Minimum Loan Amount: Rs. 50,000
* Maximum Loan Amount: Rs. Up to 3 Million (Rs.30 Lakhs)

\*subject to condition that clean limit assigned to a prime customer, on account of, personal loans limit will not exceed Rs.4 million

**Product Pricing:**

|  |  |  |
| --- | --- | --- |
| **Segment** | **Variable** | **Fixed** |
| Bank Alfalah Employees / Selected 16-Companies | 1YK + 10% | 1YK + 13% |
| Salary Transfer Segment (STS) / Payroll Segment | 1YK + 16% | 1YK + 19% |
| Salaried - Asset Relationship Preferred Customer | 1YK + 16% | 1YK + 19% |
| Salaried Segment (Other) | 1YK + 18% | 1YK + 21% |
| Self Employed (Asset/Branch Relationship Customer) | 1YK + 19% | 1YK + 22% |
| Self Employed Professionals and Businessmen | 1YK + 21% | 1YK + 24% |

**Scoring Model:**

|  |  |  |
| --- | --- | --- |
| **Score** | **Max Multiple** | **Max Loan Amount** |
| < 186 | - | - |
| 186-196 | 3 | 300,000 |
| 197-216 | 3 | 300,000 |
| 217-236 | 4 | 500,000 |
| 237-256 | 4 | 500,000 |
| 257-276 | 5 | 750,000 |
| 277-296 | 5 | 750,000 |
| 297-316 | 6 | 750,000 |
| 317-336 | 6 | 1,000,000 |
| 337-356 | 6 | 1,000,000 |
| 357-376 | 7 | 1,500,000 |
| 377+ | 8 | 2,000,000 |

**Related TATs**

Processing TAT : Within 11working days of complete application submission

**FAQs**

**What is the due date of paying Personal Loan Monthly Installment?**  
The due date is 1st of every month. (Due Date reflects 21st of every month which is a system error in Card Pro. Do not communicate). If due date falls on a weekend/holiday, installment due date will be the previous working day.

**What is the BIN of Personal Loan Account Number?**  
100 000 

**What is STS (Salary Transfer Segment)?**  
The segment of customer who are maintaining salary accounts with Bank Alfalah other than Payroll (BAW) & Bank Alfalah Employees.

**Who can apply for Alfalah Personal Loan?**  
Pakistani Nationals and Foreign Nationals (with company letter of comfort) having income from any of the following sources:

* Employment
* Business/ Professionals
* Individuals with other sources of income i.e. Landlords, retired individuals, individuals with regular rental income

**Can I make partial payments?**  
Yes but Partial payments in the 1st year is not allowed but after completion of 1st year customer may give up to 30 day prior written notice to the Bank if the he/she wishes to make a partial payment but penalty will be charged on the amount being paid. Partial payment may only be made after the Bank approves the customer’s written request for the same

**How many partial prepayments can I make?**  
You can make a maximum of 1 partial prepayment in a 12-month period after the 1 year of disbursement.

**Is there a maximum amount of each partial prepayment?**  
Yes, each partial prepayment should not be more than a total of 6 equal monthly installments

**Can I settle my loan before the end of term?**  
Yes, you may give up to 30-day prior written notice to the Bank if you wish for early settlement of your facility. Early settlement may only be done after the Bank approves the customer’s written request for the same

**Can I enhance my financing?**  
Yes, you may enhance your financing after 1 year (a year is equal to 12 installments from the date of disbursal) based on revised income or repayment history submitting to Bank Alfalah Limited. Only one enhancement is allowed in a 12-month period.

**What is the process of enhancement of Personal Loan and what are the required documents?**  
The process and documentation is same as the actual Personal Loan. The customer has to fill a new application and provide all related documents.

**How will I know the status of my application?**  
Customer may contact the personal loan sales representative who collected his application or can get in touch with the branch through which the facility was applied in order to get an update on his application. However, a complaint may only be generated if 10 days have lapsed since the submission of application/other requirements in entirety by the customer.

**How will I receive my loan?**  
You will be issued a Banker’s Cheque against your Alfalah Personal Loan which you can deposit in any of your existing accounts.

**How long will it take for my case to be processed?**  
Alfalah Personal Loan is processed within 11 working days of application submission provided all documents have been submitted.

**What is multiple income sources allowed for higher loan limits?**  
You can club more than one source of income to avail a higher loan limit. A maximum of 2 eligible secondary sources/ businesses are allowed.

**Can I make my monthly payments for my Personal Loan through Internet Banking?**  
Yes Via Internet Banking

**Can customer pay his personal loan installment through his/her Credit Card?**  
No

**Where I can see my Personal Loan details in systems?**  
In order to view Personal Loan details, we need to check Approval History Summary in Card Pro V5.

**If I am self-employed and salaried person so can I apply for personal loan under the salary transfer segment?**  
If you are maintaining your salary account with BAFL, only then can you be considered under the Salary Transfer Segment (STS)

**Can Personal Loan installment be paid on Internet Banking / Alfa?**  
No, Personal Loan Installment cannot be paid through Internet Banking and Alfa.

**If a self-employed or business man has a Primary Income of Rs. 80,000 and his clubbed rental income is Rs. 40,000 per month, can he avail personal loan and if yes than what will be the maximum amount he can avail?**  
Yes, He can avail Personal Loan, below is the example:

Primary Income of a Customer: Rs. 80,000  
Rental Income is i.e. Rs.60,000  
Maximum limit of rental income that can be clubbed = 50% of primary income i.e.  80,000 x 50% = Rs. 40,000  
Total Income = Primary Income + Clubbed Rental Income = 80,000 + 40,000 = Rs.120,000