

LIC Housing Finance vies for home loan pie with interest rate cut



[LIC Housing Finance](#) (LICHF) has cut its minimum [home loan](#) rate from 6.90 per cent to 6.66 per cent, signalling its intent to join the battle for market share based on low rates.

This is a limited period offer applicable to loans sanctioned till August 31, 2021, provided the first disbursement takes place before September 30, 2021. This interest rate is available on tenures of up to 30 years. It will apply to loan amounts of up to Rs 50 lakh offered to salaried individuals.

LICHF's rates, however, are not the lowest in the market. The lowest rate of 6.65 per cent is offered by Punjab and Sind Bank and Kotak Mahindra Bank.

Borrowers need to note that these low loan rates are not available to everyone. Usually, they are given only to customers with high credit scores of 800 and above. So, check your credit score before applying. If it is lower, your application may get turned down, or the loan may be approved at a higher rate.

Salaried individuals generally get a better rate than self-employed professionals and businessmen. If you ask for a higher loan-to-value (LTV) ratio, in that case too, you may have to pay a higher rate. Customers who don't buy an insurance policy from the lender may also not get the best rates.

Low home loan interest rates

Lender	Interest rate (%)
Punjab & Sind Bank	6.65-7.60
Kotak Mahindra Bank	6.65-7.30
LIC Housing Finance	6.66-8.05
State Bank of India	6.70-7.75
Bank of Baroda	6.75-8.60
ICICI Bank	6.75-7.55
Bajaj Finserv	6.75-8.50

Rates as of July 3

Source: Paisabazaar.com

[LIC Housing Finance](#)