

Loan Information Document

This document provides a summary of the various loan products available to customers, along with their key features, repayment structures, and eligibility guidelines.

1. Home Loan

- **Purpose:** Purchase, construction, or renovation of a residential property.
- **Loan Amount:** Up to 80–90% of property value.
- **Interest Rate:** 7% – 9% (floating or fixed, repo-linked).
- **Tenure:** Up to 30 years.
- **Collateral:** Mortgaged property.
- **Repayment:** Equated Monthly Installments (EMIs).
- **Prepayment:** Allowed, may attract a nominal charge.
- **Special Note:** Tax benefits available under Income Tax Act (Sections 24 & 80C).

2. Car Loan

- **Purpose:** Purchase of new or used cars.
- **Loan Amount:** 75–90% of on-road vehicle cost.
- **Interest Rate:** 7.5% – 10% (fixed).
- **Tenure:** 3–7 years.
- **Collateral:** Hypothecation of the car.
- **Repayment:** Monthly EMIs linked to tenure.
- **Insurance Requirement:** Comprehensive motor insurance mandatory.

3. Education Loan

- **Purpose:** Funding higher studies in India or abroad.
- **Loan Amount:** ₹5 lakh – ₹40 lakh (depending on institution & program).
- **Interest Rate:** 8% – 11%.
- **Tenure:** 5–15 years.
- **Collateral:** Required for higher amounts; parental/guardian co-borrower mandatory.
- **Moratorium:** EMI begins after course completion + 6–12 months.
- **Subsidy:** Eligible students may avail government interest subsidies.

4. Personal Loan

- **Purpose:** Medical expenses, weddings, travel, or emergencies.
- **Loan Amount:** ₹50,000 – ₹25 lakh.
- **Interest Rate:** 10% – 18%.
- **Tenure:** 1–5 years.
- **Collateral:** None (unsecured loan).
- **Repayment:** Fixed monthly EMIs.
- **Special Note:** Higher interest due to unsecured nature.

5. Business Loan

- **Purpose:** Working capital, expansion, purchase of equipment.
- **Loan Amount:** ₹5 lakh – ₹5 crore (depending on business scale).
- **Interest Rate:** 9% – 15%.
- **Tenure:** 1–15 years.

- **Collateral:** Property, machinery, or inventory (sometimes unsecured for small ticket).
- **Repayment:** Structured EMIs or flexible repayment linked to business revenues.

6. Gold Loan

- **Purpose:** Short-term liquidity by pledging gold ornaments or coins.
- **Loan Amount:** Up to 75% of gold value.
- **Interest Rate:** 7% – 12%.
- **Tenure:** 6–36 months.
- **Collateral:** Gold pledged with bank.
- **Repayment:** Bullet repayment or EMIs.
- **Special Note:** Quick disbursal, minimal documentation.

7. Overdraft / Credit Line

- **Purpose:** Flexible borrowing for salaried and self-employed.
- **Loan Limit:** Based on income/net worth.
- **Interest Rate:** 9% – 14%.
- **Tenure:** Renewable annually.
- **Collateral:** May be unsecured or backed by deposits/property.
- **Repayment:** Interest payable only on utilized amount.

General Loan Guidelines

1. **Eligibility:** Based on age (21–60 years), income stability, credit score, and repayment history.

2. **Credit Score Impact:** Loans are subject to minimum score requirements (usually ≥ 700). Lower scores may attract higher rates.
3. **Default Penalty:** Late payments attract penalty charges and adversely affect credit score.
4. **Prepayment Rules:** Most loans allow partial or full prepayment after 6–12 months; fees may apply.
5. **Insurance Requirement:** For secured loans (home, car, business), insurance of the asset is mandatory.
6. **Debt-to-Income Ratio:** Total EMI obligations should not exceed 35–40% of monthly income.