- Banker and Debt Manager to Government
- Commercial Banking
- Co-operative Banking
- Non-banking
- Financial Inclusion and Development
- Financial Market
- Foreign Exchange Management
- Consumer Education and Protection
- Issuer of Currency
- Payment and Settlement System
- Research
- Others
- Deposit Insurance and Credit Guarantee Corporation

Home >> FAQs - Display

FAQs

Print

Date: 10/11/2009

Housing Loans

1. For what purposes can I seek a first time home loan?

You can generally seek a first time home loan for buying a house or a flat, renovation, extension and repairs to your existing house. Most banks have a separate policy for those who are going for a second house. Please remember to seek specific clarifications on the above-mentioned issues from your commercial bank.

2. How will your bank decide your home loan eligibility?

Your bank will assess your repayment capacity while deciding the home loan eligibility. Repayment capacity is based on your monthly disposable / surplus income, (which in turn is based on factors such as total monthly income / surplus less monthly expenses) and other factors like spouse's income, assets, liabilities, stability of income etc. The main concern of the bank is to make sure that you comfortably repay the loan on time and ensure end use. The higher the monthly disposable income, higher will be the amount you will be eligible for loan. Typically a bank assumes that about 55-60 % of your monthly disposable / surplus income is available for repayment of loan. However, some banks calculate the income available for EMI payments based on an individual's gross income and not on his disposable income.

The amount of the loan depends on the tenure of the loan and the rate of interest also as these variables determine your monthly outgo / outflow which in turn depends on your disposable income. Banks generally fix an upper age limit for home loan applicants.

3. What is an EMI?

You repay the loan in Equated Monthly Installments (EMIs) comprising both principal and interest. Repayment by way of EMI starts from the month following the month in which you take full disbursement. (For understanding how EMI is calculated, please see annex).

4. What documents are generally sought for a loan approval?

In addition to all legal documents relating to the house being bought, banks will also ask you to submit Identity and Residence Proof, latest salary slip (authenticated by the employer and self attested for employees) and Form 16 (for business persons/ self-employed) and last 6 months bank statements / Balance Sheet, as applicable . You also need to submit the completed application form along with your photograph. Loan applications form would give a checklist of documents to be attached with the application.

Do not be in a hurry to seal the deal quickly.

Please do discuss and seek more information on any waivers in terms and conditions provided by the commercial bank in this regard. For example some banks insist on submission of Life Insurance Policies of the borrower / guarantor equal to the loan amount assigned in favour of the commercial bank. There are usually amount ceilings for this condition which can also be waived by appropriate authority. Please read the fine print of the bank's scheme carefully and seek clarifications.

5. What are the different interest rate options offered by banks?

Banks generally offer either of the following loan options: Floating Rate Home Loans and Fixed Rate Home Loans. For a Fixed Rate Loan, the rate of interest is fixed either for the entire tenure of the loan or a certain part of the tenure of the loan. In case of a pure fixed loan, the EMI due to the bank remains constant. If a bank offers a Loan which is fixed only for a certain period of the tenure of the loan, please try to elicit information from the bank whether the rates may be raised after the period (reset clause). You may try to negotiate a lock-in that should include the rate that you have agreed upon initially and the period the lock-in lasts.

Hence, the EMI of a fixed rate loan is known in advance. This is the cash outflow that can be planned for at the outset of the loan. If the inflation and the interest rate in the economy move up over the years, a fixed EMI is attractively stagnant and is easier to plan for. However, if you have fixed EMI, any reduction in interest rates in the market, will not benefit you.

Determinants of floating rate:

The EMI of a floating rate loan changes with changes in market interest rates. If market rates increase, your repayment increases. When rates fall, your dues also fall. The floating interest rate is made up of two parts: the index and the spread. The index is a measure of interest rates generally (based on say, government securities prices), and the spread is an extra amount that the banker adds to cover credit risk, profit mark-up etc. The amount of the spread may differ from one lender to another, but it is usually constant over the life of the loan. If the index rate moves up, so does your interest rate in most circumstances and you will have to pay a higher EMI. Conversely, if the interest rate moves down, your EMI amount should be lower.

Also, sometimes banks make some adjustments so that your EMI remains constant. In such cases, when a lender increases the floating interest rate, the tenure of the loan is increased (and EMI kept constant).

Some lenders also base their floating rates on their Benchmark Prime Lending Rates (BPLR). You should ask what index will be used for setting the floating rate, how it has generally fluctuated in the past, and where it is published/disclosed. However, the past fluctuation of any index is not a guarantee for its future behavior.

Flexibility in EMI:

Some banks also offer their customers flexible repayment options. Here the EMIs are unequal. In step-up loans, the EMI is low initially and increases as years roll by (balloon repayment). In step-down loans, EMI is high initially and decreases as years roll by.

Step-up option is convenient for borrowers who are in the beginning of their careers. Step-down loan option is useful for borrowers who are close to their retirement years and currently make good money.

6. What is monthly reducing balances method?

Borrowers benefit more from a loan that's calculated on a monthly reducing basis than on an annual basis. In case of monthly resets, interest is calculated on the outstanding principal balance for that month. The principal paid is deducted from the opening principal outstanding balance to arrive at the opening principal for the next month and interest is computed on the new, reduced principal outstanding. In case of annual resets, principal paid is adjusted only at the end of the year. Hence, you continue to pay interest on a portion of the principal that has been paid back to the lender.

7. How does tenure affect cost of loan?

The longer the tenure of the loan, the lesser will be your monthly EMI outflow. Shorter tenures mean greater EMI burden, but your loan is repaid faster. If you have a short-term cash flow mismatch, your bank may increase the tenure of the loan, and your EMI burden comes down. But longer tenures mean payment of larger interest towards the loan and make it more expensive.

8. What is an amortization schedule?

This is a table that gives details of the periodic principal and interest payments on a loan and the amount outstanding at any point of time. It also shows the gradual decrease of the loan balance until it reaches zero. (**See annex**)

9. What is pre-EMI interest?

Sometimes loan is disbursed in installments, depending on the stages of completion of the housing project. Pending final disbursement, you may be required to pay interest only on the portion of the loan disbursed. This interest called pre-EMI interest. Pre-EMI interest is payable every month from the date of each disbursement up to the date of commencement of EMI.

However, many banks offer a special facility whereby customers can choose the installments they wish to pay for under construction properties till the time the property is ready for possession. Anything paid over and above the interest by the customer goes towards Principal repayment. The customer benefits by starting EMI payment earlier and hence repays the loan faster. Please check with your banker whether this facility is available before availing of the loan.

10. What security will you have to provide?

The security for a housing loan is typically a first mortgage of the property, normally by way of deposit of title deeds. Banks also sometimes ask for other collateral security as may be necessary. Some banks insist on margin / down payment (borrowers contribution to the creation of an asset) to be maintained / made also.

Collateral security assigned to your bank could be life insurance policies, the surrender value of which is set at a certain percentage to the loan amount, guarantees from solvent guarantors, pledge of shares/ securities and investments like KVP/ NSC etc. that are acceptable to your banker. Banks would also require you to ensure that the title to the property is free from any encumbrance. (i.e., there should not be any existing mortgage, loan or litigation, which is likely to affect the title to the property adversely).

11. What precautions do you need to take if you are purchasing a property that is not a newly built one?

Ensure that the documents being provided to you are not colour photocopies. Check the internet for other modus operandi to fraud and ensure clear title to the asset. Seek advice only from authentic sources such as your bank.

Get the no encumbrance certificate to find the true title holder and if it is mortgaged to any financier. Obtain all tax papers to ensure that all documents are up to date.

12. What should be your strategy in dealing with the banks?

Give yourself comfortable time. Do not hurry your purchase or loan in any case. Shopping around for a home loan will help you to get the best financing deal. Shopping, comparing, seeking clarification and negotiating with banks may save you thousands of rupees.

a) Obtain information from several banks

Home loans are available from mainly two types of lenders--commercial banks and housing finance companies. Different lenders may quote you different rates of interest and other terms and conditions, so you should contact several lenders to make sure you’re getting the best value for money.

Find out how much of a down payment you are required to pay, and find out all the costs involved in the loan (including processing fees, administrative charges and prepayment charges levied by banks). Knowing just the amount of the EMI or the interest rate is not good enough. Similarly, ask for information on loan amount, loan term, and type of loan (fixed or floating) so that you can compare the information and take an informed decision.

The following is some important information that you will require.

i) Rates

Ask your lender about its current home loan interest rates and whether the rate is fixed or floating. Remember that when interest rates in the economy go up so does the floating rates and hence the monthly re-payment.

If the rate quoted is a floating rate, ask how your rate and loan payment will vary, including the extent to which your loan payment will be reduced when rates go down by a certain percentage. Ask your lender to what index your floating home loan is referenced / linked and the periodicity of updation of that index. Also ask your bank whether the index is internal or external and how and where it is published.

Ask about the loan's annual percentage rates (APR). The APR takes into account not only the interest rate but also fees and certain other charges that you may be required to pay, expressed as a yearly rate. Banks are obliged to reveal the APR if requested for by the customer.

ii) Reset Clause

Check the reset clause, especially in the case of fixed interest rate loan as the rates will not be fixed throughout the tenure of the loan.

iii) Spread/Mark up

Check if the margin in the case of the floating rate is fixed or variable. The rate of interest you have to pay will vary accordingly.

iv) Fees

A home loan often requires payment of various fees, such as loan origination or processing charges, administrative charges, documentation, late payment, changing the loan tenure, switching to different loan package during the loan tenure, restructuring of loan, changing from fixed to floating interest rate loan and vice versa, legal fee, technical inspection fee, recurring annual service fee, document retrieval charges and pre-payment charges, if you want to prepay the loan. Every lender should be able to give you an estimate of its fees. Many of these fees are negotiable / can be waived also.

Ask what each fee includes. Sometimes several components are lumped into one fee. Ask for an explanation of any fee you do not understand. Also, remember that most of these fees are perhaps negotiable! Do negotiate with your bank before agreeing to a particular fee. See how the all inclusive rate compares with the all inclusive rates offered by other banks. While planning your finances, don't forget to include the costs of stamp duty and registration.

v) Down Payments / Margin

Some lenders require 20/30 percent of the home's purchase price as a down payment from you. However, many lenders also offer loans that require less than 20/30 percent down payment, sometimes as little as 5 percent .Ask about the lender's requirements for a down payment and also negotiate with him to reduce the down payments.

b) Obtain the best deal

Once you know what each bank has to offer in terms of rates, fees and down payments, negotiate for the best deal. Ask the lender to write down all the costs associated with the loan. Then ask if the bank will waive or reduce one or more of its fees or agree to a lower rate. Do make sure that the bank is not agreeing to lower one fee while raising another or to lower the rate while raising the fees. Ask for clarification in case you do not understand any particular term. All banks are obliged to explain the most important terms and conditions of the home loan in detail.

Once you are satisfied with the terms you have negotiated, please do obtain a written offer letter from the lender and keep a copy with you. Read the offer letter carefully before signing.

13. Can you repay your loan ahead of schedule? Is pre-payment of loan allowed?

Yes, most banks allow you to repay the loan ahead of schedule by making lump sum payments. However, many banks charge early repayment penalties up to 2-3% of the principal amount outstanding. Prepayment penalty may vary according to the reasons and source of funds - if you obtain a loan from another bank for pre-payment the charges are usually higher than when you pay from your own sources. However, you may credit more than your EMI amount into your loan account on a periodic basis and bring down your interest burden as and when funds are available with you. Most banks do not charge a pre-payment penalty if you deposit more than your EMI payable on a periodic basis. Please check such stipulations while availing the loan.

14. What are Switch over charges/ balances transfer charges?

When other banks reduce the interest rate, you may prefer to close your account with the bank with whom you are banking, to avail of the loan from the bank offering reduced rates of interest. You have to pay pre-payment charges for doing so. In order to ensure that their customers do not approach other banks for availing reduced interest rates, banks allow customers to switch over from a higher interest loan to a lower interest loan by paying a switch over fees which is lesser than the pre-payment charges. Generally switchover fee is taken as percentage of the outstanding loan amount.

Keep up-dating yourself on various changes in the home loan market. Visit the branch, discuss with the officials to get the best out of any changes in the home loan scenario.

15. Do you get a tax benefit on the loan?

Yes. Resident Indians are eligible for certain tax benefits on both principal and interest components of a loan under the Income Tax Act, 1961. Under the current laws, you are entitled to an income tax rebate for interest repayment up to Rs. 1,50,000 /- per annum. Moreover, you can get added tax benefits under Section 80 C on repayment of principal amount up to Rs. 1,00,000 /- per annum.

16. What are the minimum standards that banks are required to follow when they sell you a home loan?

a. At the time of sourcing the loan, banks are required to provide information about the interest rate applicable, the fees / charges and any other matter which affects your interest and the same are usually furnished in the product brochure of the banks. Complete transparency is mandatory.
b. The banks will supply you authenticated copies of all the loan documents executed by you at their cost along with a copy each of all enclosures quoted in the loan document on request.

A bank cannot reject your loan application without furnishing valid reason(s) for the same.

17. What do you do if you have a grievance?

If you have a complaint against only scheduled bank on any of the above grounds, you can lodge a complaint with the bank concerned in writing in a specific complaint register provided at the branches as per the recommendation of the Goiporia Committee or on a sheet of paper. Ask for a receipt of your complaint. The details of the official receiving your complaint may be specifically sought. If the bank fails to respond within 30 days, you can lodge a complaint with the Banking Ombudsman. (Please note that complaints pending in any other judicial forum will not be entertained by the Banking Ombudsman). No fee is levied by the office of the Banking Ombudsman for resolving the customer's complaint. A unique complaint identification number will be given to you for tracking purpose. (A **list of the Banking Ombudsmen along with their contact details** is provided on the RBI website).

Complaints are to be addressed to the Banking Ombudsman within whose jurisdiction the branch or office of the bank complained against is located. Complaints can be lodged simply by writing on a plain paper or online at **www.bankingombudsman.rbi.org.in** or by sending an email to the Banking Ombudsman. Complaint forms are available at all bank branches also.

Complaint can also be lodged by your authorised representative (other than a lawyer) or by a consumer association / forum acting on your behalf.

If you are not happy with the decision of the Banking Ombudsman, you can appeal to the Appellate Authority in the Reserve Bank of India.

REVERSE MORTGAGE LOAN

18. What is reverse mortgage loan? What is my eligibility and how I will get back the title deeds?

The scheme of reverse mortgage has been introduced recently for the benefit of senior citizens owning a house but having inadequate income to meet their needs. Some important features of reverse mortgage are:

- A homeowner who is above 60 years of age is eligible for **reverse mortgage loan.** It allows him to **turn the equity in his home into one lump sum or periodic payments** mutually agreed by the borrower and the banker.
- The property should be clear from encumbrances and should have clear title of the borrower.
- **NO REPAYMENT** is required as long as the borrower lives, Borrower should pay all taxes relating to the house and maintain the property as his primary residence.
- The amount of loan is based on several factors: borrower's age, value of the property, current interest rates and the specific plan chosen. Generally speaking, the higher the age, higher the value of the home, the more money is available.
- The valuation of the residential property is done at periodic intervals and it shall be clearly specified to the borrowers upfront. The banks shall have the option to revise the periodic / lump sum amount at such frequency or intervals based on revaluation of property.
- Married couples will be eligible as joint borrowers for financial assistance. In such a case, the age criteria for the couple would be at the discretion of the lending institution, subject to at least one of them being above 60 years of age.
- The loan shall become due and payable only when the last surviving borrower dies or would like to sell the home, or permanently moves out.
- On death of the home owner, the legal heirs have the choice of keeping or selling the house. If they decide to sell the house, the proceeds of the sale would be used to repay the mortgage, with the remainder going to the heirs.
- As per the scheme formulated by National Housing Bank (NHB), the maximum period of the loan period is 15 years. The residual life of the property should be at least 20 years. Where the borrower lives longer than 15 years, periodic payments will not be made by lender. However, the borrower can continue to occupy.
- From FY 2008-09, the lump sum amount or periodic payments received on reverse mortgage loan will not attract income tax or capital gains tax.

Note- Reverse mortgage is a fixed interest discounted product in reverse. It does not take into account the changes in interest rates as yet.

Important – This part is fine printed to help you practice reading the fine print. The loan agreement documentation runs into nearly 50 pages and its language is complex. If you thought everyone signs the same agreements with the bank, where is the need to read? You are not taking an informed decision. If you thought somebody would have pointed this to me if there was any problem, then maybe they did but you could not read or listen to it. Think again! Borrowers' and lenders' rights may not be expressed clearly in a transparent manner in all the loan agreements. The home loan agreement may not be provided to you in advance so that this could be read and understood before you sign the agreement. Every method may be used to delay handing over a copy to the borrower in sufficient time. Some areas you may focus are a) check the "reset clause" incorporated by some banks in their home loan agreements that allows them to change the interest rate in the future, even on fixed rate loans. Banks may set their reset clauses for 3 or 2 year intervals. They say a lender cannot have an agreement that a fixed rate is set for the entire tenure of 15 to 20 years as this will cause an asset-liability mismatch. Talk to your bank. b) Please seek clarifications on the term "exceptional circumstances" (if stated in the loan agreement) under which loan rates can be unilaterally changed by your bank. c) A common person thinks that default ideally means non-payment of one or more loan installments. In some loan documentation it can include divorce and death (in individual case) and even involvement in civil litigation or criminal offence. d) Does the loan agreement say that disbursement of the loan may be made directly to the builder or developer and in the case of a ready-built property to the vendor thereof and/or in such other manner as may be decided solely by bank? It is the borrower whose original property papers are retained with the bank, so why disburse to the builder. Possession of property has been delayed in some cases when the cheque was issued in the name of the builder and the builder refused to pay delay penalty to the borrower e) Does the agreement enable assignment of your loan to a third party? You take into account reputation and credibility of the bank before entering into a loan agreement with it. Are you comfortable with third party takes over or should you also be allowed to move your home loan from one bank to another in that case? Look for ambiguous clauses and discuss with the banker. Some agreements say changes in employment etc. have to be informed well in advance without quantifying the term "well in advance". f) In one case the loan documentation says "issuance of pre-approval letter should not be construed as a commitment by the bank to grant the housing loan and processing fees is not re-fundable even if the home loan is not processed". This is never ending it seems. The above are only indicative instances of what has been observed / reported/ indicated by various sources. However, our main objective was to get you into the habit of reading the fine print. If you have read this, you would have understood the importance of reading fine print in any document and we have achieved our objective. I only wish I could have made the print smaller as in the real cases.

ANNEX

EXAMPLE OF EMI CALCULATION (PURE FIXED LOAN)

	Amount of Loan		**1,000,000.00**	
	Annual Interest Rate		**15.00%**	
	Number of Payments		**120**	
	Monthly Payment		**16,133.50**	
Number	**Payment**	**Interest**	**Principal**	**Balance**
0				1,000,000.00
1	16,133.50	12,500.00	3,633.50	996,366.50
2	16,133.50	12,454.58	3,678.91	992,687.59
3	16,133.50	12,408.59	3,724.90	988,962.69
4	16,133.50	12,362.03	3,771.46	985,191.23
5	16,133.50	12,314.89	3,818.61	981,372.62
6	16,133.50	12,267.16	3,866.34	977,506.28
7	16,133.50	12,218.83	3,914.67	973,591.62
8	16,133.50	12,169.90	3,963.60	969,628.02
9	16,133.50	12,120.35	4,013.15	965,614.87
10	16,133.50	12,070.19	4,063.31	961,551.56
11	16,133.50	12,019.39	4,114.10	957,437.46
12	16,133.50	11,967.97	4,165.53	953,271.93
13	16,133.50	11,915.90	4,217.60	949,054.34
14	16,133.50	11,863.18	4,270.32	944,784.02
15	16,133.50	11,809.80	4,323.70	940,460.32
16	16,133.50	11,755.75	4,377.74	936,082.58
17	16,133.50	11,701.03	4,432.46	931,650.12
18	16,133.50	11,645.63	4,487.87	927,162.25
19	16,133.50	11,589.53	4,543.97	922,618.28
20	16,133.50	11,532.73	4,600.77	918,017.51
21	16,133.50	11,475.22	4,658.28	913,359.24
22	16,133.50	11,416.99	4,716.51	908,642.73
23	16,133.50	11,358.03	4,775.46	903,867.27
24	16,133.50	11,298.34	4,835.15	899,032.12
25	16,133.50	11,237.90	4,895.59	894,136.52
26	16,133.50	11,176.71	4,956.79	889,179.73
27	16,133.50	11,114.75	5,018.75	884,160.98
28	16,133.50	11,052.01	5,081.48	879,079.50
29	16,133.50	10,988.49	5,145.00	873,934.50
30	16,133.50	10,924.18	5,209.31	868,725.18
31	16,133.50	10,859.06	5,274.43	863,450.75
32	16,133.50	10,793.13	5,340.36	858,110.39
33	16,133.50	10,726.38	5,407.12	852,703.28
34	16,133.50	10,658.79	5,474.70	847,228.57
35	16,133.50	10,590.36	5,543.14	841,685.43
36	16,133.50	10,521.07	5,612.43	836,073.00
37	16,133.50	10,450.91	5,682.58	830,390.42
38	16,133.50	10,379.88	5,753.62	824,636.81
39	16,133.50	10,307.96	5,825.54	818,811.27
40	16,133.50	10,235.14	5,898.35	812,912.92
41	16,133.50	10,161.41	5,972.08	806,940.83
42	16,133.50	10,086.76	6,046.74	800,894.10
43	16,133.50	10,011.18	6,122.32	794,771.78
44	16,133.50	9,934.65	6,198.85	788,572.93
45	16,133.50	9,857.16	6,276.33	782,296.59
46	16,133.50	9,778.71	6,354.79	775,941.81
47	16,133.50	9,699.27	6,434.22	769,507.58

48	16,133.50	9,618.84	6,514.65	762,992.93
49	16,133.50	9,537.41	6,596.08	756,396.85
50	16,133.50	9,454.96	6,678.54	749,718.31
51	16,133.50	9,371.48	6,762.02	742,956.30
52	16,133.50	9,286.95	6,846.54	736,109.75
53	16,133.50	9,201.37	6,932.12	729,177.63
54	16,133.50	9,114.72	7,018.78	722,158.85
55	16,133.50	9,026.99	7,106.51	715,052.34
56	16,133.50	8,938.15	7,195.34	707,857.00
57	16,133.50	8,848.21	7,285.28	700,571.72
58	16,133.50	8,757.15	7,376.35	693,195.37
59	16,133.50	8,664.94	7,468.55	685,726.82
60	16,133.50	8,571.59	7,561.91	678,164.91
61	16,133.50	8,477.06	7,656.43	670,508.47
62	16,133.50	8,381.36	7,752.14	662,756.33
63	16,133.50	8,284.45	7,849.04	654,907.29
64	16,133.50	8,186.34	7,947.15	646,960.14
65	16,133.50	8,087.00	8,046.49	638,913.64
66	16,133.50	7,986.42	8,147.08	630,766.57
67	16,133.50	7,884.58	8,248.91	622,517.65
68	16,133.50	7,781.47	8,352.03	614,165.63
69	16,133.50	7,677.07	8,456.43	605,709.20
70	16,133.50	7,571.37	8,562.13	597,147.07
71	16,133.50	7,464.34	8,669.16	588,477.91
72	16,133.50	7,355.97	8,777.52	579,700.39
73	16,133.50	7,246.25	8,887.24	570,813.15
74	16,133.50	7,135.16	8,998.33	561,814.82
75	16,133.50	7,022.69	9,110.81	552,704.01
76	16,133.50	6,908.80	9,224.70	543,479.31
77	16,133.50	6,793.49	9,340.00	534,139.31
78	16,133.50	6,676.74	9,456.75	524,682.56
79	16,133.50	6,558.53	9,574.96	515,107.59
80	16,133.50	6,438.84	9,694.65	505,412.94
81	16,133.50	6,317.66	9,815.83	495,597.11
82	16,133.50	6,194.96	9,938.53	485,658.58
83	16,133.50	6,070.73	10,062.76	475,595.81
84	16,133.50	5,944.95	10,188.55	465,407.26
85	16,133.50	5,817.59	10,315.90	455,091.36
86	16,133.50	5,688.64	10,444.85	444,646.51
87	16,133.50	5,558.08	10,575.41	434,071.09
88	16,133.50	5,425.89	10,707.61	423,363.48
89	16,133.50	5,292.04	10,841.45	412,522.03
90	16,133.50	5,156.53	10,976.97	401,545.06
91	16,133.50	5,019.31	11,114.18	390,430.88
92	16,133.50	4,880.39	11,253.11	379,177.77
93	16,133.50	4,739.72	11,393.77	367,784.00
94	16,133.50	4,597.30	11,536.20	356,247.80
95	16,133.50	4,453.10	11,680.40	344,567.40
96	16,133.50	4,307.09	11,826.40	332,741.00
97	16,133.50	4,159.26	11,974.23	320,766.77
98	16,133.50	4,009.58	12,123.91	308,642.85
99	16,133.50	3,858.04	12,275.46	296,367.39
100	16,133.50	3,704.59	12,428.90	283,938.49
101	16,133.50	3,549.23	12,584.26	271,354.23
102	16,133.50	3,391.93	12,741.57	258,612.66
103	16,133.50	3,232.66	12,900.84	245,711.82
104	16,133.50	3,071.40	13,062.10	232,649.72
105	16,133.50	2,908.12	13,225.37	219,424.35
106	16,133.50	2,742.80	13,390.69	206,033.66
107	16,133.50	2,575.42	13,558.07	192,475.58
108	16,133.50	2,405.94	13,727.55	178,748.03
109	16,133.50	2,234.35	13,899.15	164,848.89

110	16,133.50	2,060.61	14,072.88	150,776.00
111	16,133.50	1,884.70	14,248.80	136,527.21
112	16,133.50	1,706.59	14,426.91	122,100.30
113	16,133.50	1,526.25	14,607.24	107,493.06
114	16,133.50	1,343.66	14,789.83	92,703.23
115	16,133.50	1,158.79	14,974.71	77,728.52
116	16,133.50	971.61	15,161.89	62,566.63
117	16,133.50	782.08	15,351.41	47,215.22
118	16,133.50	590.19	15,543.31	31,671.91
119	16,133.50	395.90	15,737.60	15,934.32
120	16,133.50	199.18	15,934.32	0.00

Loan amount x rpm x $\frac{(1+pm)}{(1+pm)}$

- **rpm= interest per month (rate of interest per year/12)**
- **n= number of installments**

NB: If you have a fixed budget towards EMI you can arrive at loan amount by changing the other variables such as by reducing the rate of interest or by increasing the tenure of loan. This can also be arrived at through EMI calculator by a trial-and-error approach.