



# **CIRCULAR TO ALL BRANCHES/OFFICES/DEPARTMENTS**

NO: 100/HO/ADV/2022-23/116/454

Date: 31.03.2023

## **RE: REVISION IN INTEREST RATES & INTRODUCTION OF PROCESSING & DOCUMENTATION CHARGES FOR LOANS UNDER BANKS' 'APNA ASHIYANA' SCHEME**

It is an endeavour of the Bank to align its interest rates on credit products with changing market trends and scenarios. In line with the same, the Bank in the past has modified its interest rates for loans to make them more competitive, market oriented and more customer friendly on a regular basis.

As Home Loan is one of the premium product, lower interest rate in this segment aids in scouting the prospective client. The prospective client thus added to our clientele establishes a long lasting relationship and opens several avenues for offering of other products from our bouquet. Due to substantial increase in the repo rate and subsequent increase in our NRLLR it became imperative to review the interest rate in this segment, further the Bank is continuously receiving feedback from the Regional Offices and Branches for lowering the Interest rates in the Home Loan segment.

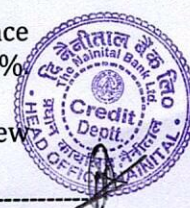
Keeping in view the continuous feedback of RO/Branches, the Board of Directors of the Bank have allowed special discounted rates to our housing loan customers to give a boost to the housing loan demand in our bank, which will be effective w,e,f. 01.04.2023.

### **NEW RATE OF INTEREST ON HOME LOANS UNDER APNA ASHIANA SCHEME:**

Existing Rate of Interest (In %)			Proposed Rate of Interest (In %)		NRLLR-9.50%
CIBIL Slabs	Spread over NRLLR	Effective ROI	CIBIL Slabs	Spread over NRLLR	Effective ROI
800 & above	-0.45	9.05	800 & above	-0.85	8.65
725 to 799, -1	-0.25	9.25	725 to 799, 0,-1,3 to 5	-0.55	8.95
675 to 724 & 3 to 5	0.00	9.50	675 to 724 and 1 & 2	0.00	9.50
650 to 674	0.35	9.85	650 to 674	0.35	9.85
			Less than 650	1.50	11.00

The rate of interest as proposed above is inclusive of concession allowed on obtaining credit life insurance and customers who are not opting for credit life insurance will have to pay an additional interest of 0.05%.

The proposed concessional rates shall be effective wef 01.04.2023 and shall only be applicable for the new loans sanctioned till 30<sup>th</sup> September 2023.







Additionally, as we all are aware that the processing and documentation charges applicable in the 'Apna Ashiyana' scheme have been waived-off till the period ending March 2023. However, since the rate of interest on the loans sanctioned under Bank's 'Apna Ashiyana' scheme have been considerably reduced, it has been decided to introduce the charges, viz processing and documentation, (though at a very nominal rate) applicable to the loans sanctioned under the scheme. It is to be noted that the loans sanctioned under this scheme shall be charged as per the table given below:

**UNIFIED PROCESSING & DOCUMENTATION CHARGES APPLICABLE TO LOANS SANCTIONED UNDER 'APNA AASHIYANA' SCHEME:**

Existing	Proposed (W.E.F. 01.04.2023)	
Processing charges @ 0.50% of the loan amount in addition to documentation charges as per norms (minimum Rs. 500/- & maximum Rs. 10000/- + applicable tax). In case of loans taken over from other institutions, only documentation charges should be recovered.	Slab Of Amount Of Finance ( In Lacs)	PCDC Charges (Tax etc.)**
	<= 5.00	Nil
	>5.00 & <=10.00	Rs.1000
	>10.00 & <=20.00	Rs.2000
	>20.00 & <=30.00	Rs.3000
	>30.00 & <=50.00	Rs.4000
	>50.00	Rs.5000

\* **The above PCDC charges are to be recovered excluding of Legal Scrutiny Report/ Valuation charges.**

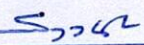
\*\* **The revised processing and documentation charges to be recovered in all credit facilities accounts sanctioned on or after 01.04.2023 in the above mentioned schemes and to be credited to the respective GL head meant to recover processing charges.**

All the Branch/Departmental Heads are advised to bring the contents of this circular to the notice of all the staff members at the branch/office/department by specially calling an urgent staff meeting.

We are confident that with the introduction of these reduced interest rates, the Branches will canvass sufficient number of credit proposals under the scheme and consequently contribute towards a positive business growth of the bank in general.

Regional Office to pay special emphasis to augment the volume of business in this segment.

Yours faithfully,

  
(Sanjay Lal Sah)  
Vice President Credit

