

Vehicle Loan

Terms of Sanction

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| <u>Max. Loan:</u> | % of vehicle cost. |
| | % of vehicle cost in case of less than 3 Years old vehicle. |
| <u>Term:</u> | Maximum period years |
| <u>Interest:</u> | @ % |
| <u>Service charges:</u> | % of Loan & Visit charges |
| <u>Membership:</u> | Regular membership (In case of co-operative banks) |
| <u>Shares:</u> | % of Loan sanctioned. (at present 2.5 % of Loan amount) |

Documents to be obtained with Loan Application Form:

- 3 recent photographs of borrower & sureties.
- Income proof of borrower & sureties.
- Ration card Xerox with original for verification.
- Share certificate of the bank or nominal membership receipt.
- SB passbook / CD statement of account.
- Rent receipt, Electricity bill, NOC from landlord, Business license etc.

- Driving license.
- Proforma Invoice excluding registration charges & insurance and proforma invoice of vehicle bodybuilding.
- RC book, Tax book, Permit, Fitness certificate, Insurance policy (for old vehicle)
- Vehicle valuation report. (For old vehicle)
- Business projections for next 3 years.
- Letter from vendor for hiring of vehicle.
- Tourist permit.
- Margin money @ % to be deposited.

Scrutiny of Loan Application:

- Verification of Xerox of documents with original.
- Telephone at office.
- Loan from other financial / co-op. credit society / Bank.
- Net take home pay. (say 1/4 th of gross income)
- Overtime, Special / Temp. / Shift allowance should be ignored from salary for calculating net take home pay.
- Ration card color should be noted & co-related with income declared.

- In case stamped undertaking is submitted by borrower for additional income of self / spouse, then the fact should be confirmed instead of blindly relying on undertaking.
- Identity card Xerox should be taken & signature of the borrower & surety on the documents should be verified.
- Age of the borrower should be ascertained. Age should not exceed 52 and balance service period should be at least 5 years.
- Telephonic enquiry should be made for confirming the quotation.

Documents to be obtained from Borrower:

- Sanction letter duly signed.
- Promissory Note.
- Letter of lien & Set off.
- Undertaking to deal.
- Vehicle Loan agreement.
- Guarantee bond.
- RTO transfer set.

Documents to be obtained from Borrower after disbursement:

- RC book.
- Tax book.
- Invoice.
- Receipt.
- Insurance policy.
- Permit.
- Vehicle fitness certificate.
- Duplicate keys.
- RTO certificate regarding HP.

Inspection:

- Borrower should be requested to produce the vehicle for inspection.
- Vehicle inspection should be carried out at least once a year.