

SBP- VEHICLE LOAN
MOST IMPORTANT TERMS AND CONDITIONS

The MITC covers the following loan products

1. SBP Car Loan
2. SBP NRI Car Loan
3. SBP Used car Loan
4. SBP Car Loan Overdraft
5. SBP Two-wheeler loan

1. Purpose for which Car loan can be availed:

The loan will be sanctioned for the purpose of purchase of new Cars/used cars, Multi Utility Vehicles (MUVs) and Semi Utility Vehicles (SUVs) and two wheelers.

2. Loan tenure:

Maximum 84 months for all.

3. Loan to Value Ratio (LTV):

Maximum permissible LTV ratio is 85% of 'on road price' of the car. 15% margin has to be borne by the borrower.

4. Rate of Interest:

Floating Rate of Interest:

Interest on the loan will be charged at prevailing floating rate of interest on a daily reducing balance at monthly rests. The rate of interest is subject to revision from time to time due to (i) changes in Base Rate or (ii) revision even without change in Base Rate. The Bank has the option to reduce or increase the EMI or extend the repayment period or both consequent upon revision in interest rate.

OR

Fixed Rate of Interest:

Interest on the loan will be charged at the prevailing fixed rate of interest on daily reducing balance at monthly rests, provided always that the Bank shall be entitled at its sole discretion, from time to time and at any time, without notice to the borrower to revise, vary and change the rate and/or the rests of interest as it may deem fit and proper and application of such revised, varied and changed rate and/or rests of interest on the outstanding loan amount shall be deemed to be sufficient notice of such revision, variation and change which shall be binding on the borrower.

Calculation of Interest

Interest on the amount of the outstanding will be applied at the prevailing rate per annum on daily reducing balance with monthly rests.

Penal interest

If the irregularity exceeds EMI or Installment amount, for a **period of 30 days**, then penal interest would be charged @2% p.a.(over and above the applicable interest rate) **on the overdue amount** for the period of default.

Bounced cheque/ECS or SI dishonours

A penalty of Rs 250/- will be charged for every bounced cheque/ECS or SI dishonours. The rate may vary from time to time.

Intimation of change in Base Rate

The borrower shall be deemed to have notice of changes in the rate of interest whenever there are changes in Base Rate or increase in interest rates where there is no change in Base Rate, when

such changes are either displayed on the Notice Board of the Branch or published in news papers or made through entries of the interest rate charged in the passbook/statement of account furnished to the borrower and the borrower is liable to pay such revised rate of interest.

5. Repayment:

For the loan disbursed on or before 15th of the month, the repayment to be started on 10th of the following month. For the loan disbursed on or after 16th of the month, the repayment to be started on 20th of the following month.

Six PDCs covering the loan amount to be given. Wherever ECS is available, the Bank may use the service for paperless debit of instalments.

Pre-Payment penalty

Prepayment penalty of 2% of the amount of loan prepaid will be levied if:

- The loan is taken over by any other Bank/ financial institution.
- The loan is repaid before expiry of half of the agreed repayment period.
- Partial repayment over and above EMI is being made in the first year.

However, no pre-payment fee is to be levied if the loan is foreclosed for availing a fresh loan from the Bank.

6. Security:

a) Borrower undertakes to get hypothecation to the Bank marked in Registration book of the vehicle immediately after purchase of the vehicle.

c) Bank will verify the original RC book for noting down the charges in favour of the Bank.

7. Insurance:

The vehicle purchased is to be kept comprehensively insured for the market value or at least 10% above the loan amount outstanding, whichever is higher, and the Bank's interest as a hypothecatee should be noted in the Certificate of insurance and Insurance policy. The borrower must ensure that renewal of insurance is done on the due dates and ensure a copy reaches the Bank for its record, failing which the insurance will be taken at the Banks' end by debit to the loan account of the borrower.

8. Inspection:

For Standard Asset accounts periodical inspections are waived after the initial inspection. However, if there is a default of 2 monthly instalments, inspection would be required. In case of NPA accounts inspections should be made twice a year. The inspection charges are to be recovered every time an inspection is carried out as per laid down instructions. The inspection fee on the basis of actual charges incurred will be recovered from the borrower.

9. Fees and charges:

1. Processing fee:

a) For Car Loans:-

Processing fee is to be recovered on the loan amount upfront i.e. 0.50% of the loan amount

b) For Two-wheeler Loans:-

Processing fee is to be recovered on the loan amount upfront i.e. 1.10% of the loan amount

2. State Bank of Patiala retains the right to alter any charges or fees from time to time or to introduce any new charges or fees, as it may deem appropriate, with due intimation to customer by publication or otherwise.

10. Disbursement:

The loan will be disbursed only on the following conditions:

1. Loan Amount will be credited to the account of supplier/dealer by way of RTGS/NEFT facility or by Bank Draft/Banker Cheque.

2. All necessary statutory compliances are in place.

The Bank reserves the right to collect any tax if levied by the State/Central Government and/or other Authorities in respect of this transaction.

11. KYC:

All loans will be sanctioned after completion of KYC verification.

12. Default:

In case of default i.e. if the amount due is not paid by due date, the customer will be sent reminders from time to time for payment of any outstanding on his loan account, by post, fax, telephone, email, SMS messaging and/or through third parties appointed for collection purpose to remind, follow-up and collect dues.

13. Customer Service:

For any service related issue, customer can get in touch with SBP by:

- Calling Customer helpline numbers
- Contact Customer Grievance cell at our Head Office
- Write to Grievance cell at our Head Office

(Details on helpline numbers and Grievance cell available on www.sbp.co.in)

Disclosure:

State Bank of Patiala is authorized to disclose from time to time any information relating to the loan to any credit bureau (existing or future) approved by Government of India and Reserve Bank of India without any notice to the borrower. State Bank of Patiala is also authorized to make inquiries with the Credit Information Bureau of India (CIBIL) and get the applicants Credit Information Report.