



- Loan sanctioned for purchasing all types of new road transport vehicles.
- Maximum loan amount 25 lakhs
- Rate of interest
- Interest calculated on daily balance method.
- Insurance Coverage.
- No fine/ penalty/service charge for advance closing.
- No hidden charges

### **RULES FOR ISSUE OF VEHICLE LOAN**

- The loan under this scheme shall be extended for the purchase of all types of new road transport vehicles and including JCB, Proclainer, Bulldozers etc. for a maximum period of 60 months.

- The maximum amount of loan that can be sanctioned under this scheme shall be limited to Rs.25.00 lakhs or 80% of the value of the vehicle, which ever is less (excluding the value of Tax, Insurance and other charges, but it shall include the cost of body building, wherever necessary). But the amount of loan that may be sanctioned and disbursed shall not exceed 25 times of the total monthly income of the Borrower

- The Borrower has to remit the margin amount (difference in the cost of vehicle propose to purchase and the loan amount) with the Bank, before availing the loan amount.

- The Borrower shall directly bear the tax, insurance and other charges.

- The facility shall be extended for the purchase of used vehicle also. In that case, the

## Vehicle Loan

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period of making shall be within two years and the maximum loan amount shall not exceed 50% of the valuation made by an Actuary approved by the Bank, and the maximum period of loan shall not exceed 36 months.

- The cost of the vehicle shall be paid directly by the Bank to the suppliers or authorized dealers, through Demand Draft or otherwise, on receipt of written request from the applicant.
- The application for loans shall be made in the form prescribed by the Bank along with all necessary documents.
- The loan shall be granted against the hypothecation of the vehicle purchased, in addition to the security of landed property of equal value of the loan amount.
- Loans up to Rs.3, 00,000/- shall be granted against the hypothecation of the vehicle purchased, and additional personal surety of salaried persons having a minimum six years remaining period of service of in government, semi-government, Co-operative or other public limited undertakings which are approved by the Bank for this purpose, as noted below:

<b>Loan Amount</b>	<b>No. of sureties</b>	<b>Net Salary</b>
Up to Rs.1,00,000	1	
2	7500 and above.	
4000 and above		
1,00,001 to 2 Lakhs	1	
2		
3	15000 and above	
7500 and above		
5000 and above		
2,00,001 to 3 Lakhs	1	
2		
3	20000 and above	

10000 and above

7000 and above

For availing loan up to rupees One Lakh only, personal security of the borrower having a monthly net salary of Rs.7500/- alone is required, and in all other cases where two or more sureties are required, one among them may be the borrower having the specified net salary stated above.

- The rate of interest of the loan shall be 15% which is subject to change from time to time by the Bank, as per the direction of the Registrar of Co-op: Societies/ NABARD.
- Penal interest at the rate of 2% shall be charged, for the default in repayment of the installment.
- The vehicle should be comprehensively insured for the full value covering all risks and the policy should be in the joint names of the Borrower and the Bank, and it should be renewed periodically by the borrower at his own cost, failing which the bank shall not be responsible for any loss caused to anybody
- Additional interest at the rate of 2% on the sanctioned limit of loan is charged, if the borrower fails to renew and/or produce the renewed insurance policy in time, and the Bank shall initiate legal steps against the Loanee and the Sureties to realize the entire amount due in lump sum
- The lien of the Bank on the vehicle in the form of hypothecation should be registered with the Regional Transport Authority.
- Repayment of loan shall be on monthly installments with interest for a maximum period of 60 months or less than a period as fixed by the Bank, falling due on the completion of the first month of availing the loan.
- The borrower must prominently display the name and emblem of the Bank on the vehicle purchased as a mark of hypothecation

