

## **Frequently Asked Question – Loan Against Deposit V1.0.0**

### **Q1. What is Loan against Fixed Deposit?**

A1. Loan against Fixed Deposit is a loan, wherein you can pledge your FD as a collateral, in return for the loan amount. PNB Housing offers easy Loan against Fixed Deposits at fixed interest rates, with quick processing, flexible repayment options and minimal documentation.

Loans may be granted against public deposits upto 75% of the principal deposit amount carrying @2% per annum above the deposit interest rate and other additional charges applicable on such deposit, provided the deposit has run for a minimum period of 3 months.

On maturity, the outstanding loan together with interest shall be settled in one lump sum by the depositor or shall be adjusted on maturity of the deposit.

### **Q2. What is the rate of interest on Loan against Fixed Deposit?**

A2. The rate of interest applicable on Loan against Fixed Deposit is 2% more than the effective FD rate of interest.

### **Q3. What all documents are required if I have to apply for Loan against Fixed Deposit?**

#### **A3. Option 1. Normal process**

You require the following set of documents:

- a. Application form
- b. Original signed and revenue stamped FDR

#### **Option 2. COVID 19 Scenario**

**Amidst the COVID 19 lockdown phase, the following process needs to be followed for the application of the Loan against Fixed Deposit:**

- a. For raising a fresh LAD request, the customer needs to email the scanned copies of following set of documents at [deposit@pnbhousing.com](mailto:deposit@pnbhousing.com).
  - i) Hand written & signed LAD form – The contents of LAD form (given below) has to be handwritten and signed by the customer.

ii) Click here for **Loan against Deposit** application form - <https://www.pnbhousing.com/downloads/>.

iii) Those customers who can access a printer easily can take a print of the Application Form (instead of writing) duly signed by all the applicants.

iv) The customer needs to add the following sentence at the bottom of the cited hand written application: -  
*"I undertake to submit the original signed documents i.e. FDR and Loan against Deposit application form within 5 days after this lockdown is revoked".*

(iii) The signed and revenue stamped FDR.

**Q4. Is my CIBIL score checked as a part of processing of loan?**

A4. No, the CIBIL score is not checked the loan is given on the basis of existing Fixed Deposit.

**Q5. Is there any processing fee applicable for Loan against Fixed Deposit?**

A5. There is no processing fee applicable for a case of Loan against FD.

**Q6. Are there any foreclosure or pre-payment charges?**

A6. No, there are no foreclosure or pre-payment charges applicable on your Loan against Fixed Deposit.

**Q7. What is the maximum loan amount that can be availed?**

A7. You can avail loan amount up to 75% of the fixed deposit amount.

**Q8. Who all are eligible to avail Loan against FD?**

**A8. Below mentioned are eligible to avail loan against Fixed Deposit :**

- Resident citizens of India
- Hindu Undivided Family (HUF)
- Sole Proprietorships, Partnership Firms,
- Associations
- Trusts

**Q8. What is the eligibility for applying Loan against FD request?**

A9. You can take Loan against FD after completion of 90 days from the effective date of deposit.

**Q9. When can I repay the Loan against FD?**

A9. The loan amount can be re-paid either in part or in full at any time before the date of maturity of deposit.

**Q10. What is the processing time for a loan against FD request?**

A10. It takes T + 1 working day to process, the loan after the application and FDR is submitted / e-mailed.

**Q11. In case I have made a part payment for loan and some part of the loan is still unpaid, then how the closure of loan process be done at the time of maturity of deposit?**

A11. In such a scenario, the entire due loan amount will be recovered either by the way of interest or principal or TDS will be recovered from the deposit amount payable at maturity.

**Q12. Will pre-mature of deposit be allowed, if I have taken loan against deposit?**

Yes. Yes, It can be pre-closed.

**Q13. What is the process to pre-close the loan against deposit?**

A13. Basis the request letter duly signed by all applicants, pre-closure of loan against deposit request can be accepted and processed ONLY BY BASE BRANCH.

Upon submission of request, the loan portion will be settled first from the deposit amount (subject to TDS). Applicant will have the option to either adjust the loan closure amount either from his deposit maturity amount or settle from his own sources. In case, applicant opts to pay the loan closure amount from his deposit maturity amount (after deduction of the pre-closure charges etc), balance deposit maturity will be credited in the customer's bank account.

Please note that a lien will be marked against all loan against deposit cases and it will be revoked, once the loan amount is duly settled off.

**Q14. What is the process to change bank account details of Loan against Deposit?**

A14. In order to change bank account details, you need to give us the cancelled cheque copy of that account. The loan amount can only be credited to the first applicant's bank account and not to any third party.

**Q15. Will I be getting any acknowledgement / communication against my LAD?**

A15. Yes, SMS communication will be auto-triggered from the system.

**Q16. Can the LAD be taken against Minor's deposit?**

A16. No, Loan against deposit cannot be opted in cases where Minor is the first applicant .

**Q17. Do all the applicants need to sign in the promissory note for LAD?**

A17. Yes, all the applicants have to place their signatures in the promissory note, which is part of the Application Form.

**Q18. How will be the treatment of loan closure in case of Auto Renewal?**

A18. The unpaid loan amount from the deposit amount (subject to TDS) will have to be set off by the customer and the auto-renewal functionality will not be processed, in case the loan is not paid till the date of maturity of deposit.

The balance deposit (deposit amount minus loan amount) amount will remain with PNB Housing Finance till the customer place the request of closure of deposit / renewal of deposit.

**Q19. When will the interest be paid in case of Non-Cumulative Deposit, if LAD has been availed?**

A19. In case of non-cumulative deposit, the interest payment will not be processed till the closure of loan.

**Q20. When will the interest on loan be due?**

A20. Interest on loan will be compounded monthly, quarterly, half-yearly, yearly depending upon the interest payment/compounding frequency on Deposits. The interest on loan will be recovered/paid from the interest on deposit (subject to TDS if any) and/or maturity value of the deposit.