

PERSONAL LOANS – FREQUENTLY ASKED QUESTIONS

- **What is a personal loan?**

Personal loan is an all-purpose loan to meet every individual's needs, which is given in most cases without any kind of security like a car, home, shares etc. It is handy when you have an urgent need for money in a lump sum.

- **Does a personal loan require collateral?**

No! A personal loan does not require collateral. Your proof of income will be all that you need along with other mandatory documents for availing the loan.

- **Who can get a personal loan?**

- } Salaried individual's
- } Self-employed employee

- **What are the eligibility criteria for personal loans?**

a. Self-employed, professionals and small business owners with satisfactory track record of at least 3 years can apply. Salaried who are employed for over 2 year in a confirmed employment contract are also eligible.

b. For a salaried person the salary should be more than BHD 500/- and for self-employed the average monthly turnover of last 6 months to be more than BHD 4,000/-

c. Loan is open for all nationalities

d. Minimum age 21 years

e. Maximum age 58 years (At maturity of loan, the borrower's age should be not more than 60 years or normal retirement age, whichever is earlier for salaried employee)

- **What is the maximum amount that can be issued as a personal loan?**

For salaried person the maximum loan amount that can be provided is 12 times the net monthly income.

For self-employed the maximum loan amount that can be provided will be 8% of the average monthly turnover of the last 6 months.

(Subject to EMI/NMI not exceeding 50% & Max loan limit not exceeding BHD 25,000/-)

- **What is the minimum amount that can be issued as a personal loan?**

The minimum loan amount that can be provided is BHD 2000/-.

- **What is the loan tenure possible?**

The minimum loan tenure will be 12 months & maximum loan tenure will be 60 months.

- **What are the lending rates for personal loans?**
Lending / Interest rate is starting from 8.00% (daily balance method).
 - **Do I have to pay any processing charges? If yes, what is the amount?**
Processing charges of upto 0.75% of the loan amount sanctioned or subject to minimum of BHD 150/- is chargeable upfront.
 - **Is the loan backed up by any insurance policy?**
Single premium for the same will be added to the loan amount. The premium calculation would depend on the tenure of loan & amount of loan availed.
 - **Is a guarantor necessary?**
No. Typically, you do not have to provide a guarantor.
 - **Can I club the income of my spouse with mine?**
Yes, you can club the income of your spouse for the purpose of boosting your own eligibility for a personal loan.
 - **Is takeover of loan permitted?**
Takeover of loan is permitted by the Bank but upon Bank's discretion.
 - **Is there any penalty for late payment?**
In case of delay in payment of monthly installment, penalty of BHD 10/- will be charged per month.
 - **Do we have to bear any prepayment charges in case if we need to close the loan?**
Yes, there is a prepayment charges which is around 1% of the amount prepaid / outstanding as per EMI schedule or subject to maximum of BHD 100/-.
 - **What are the documents required to apply for a personal loan?**
Documents that need to be provided for a personal loan differ according to the profile of the applicant as to whether he is salaried or a self-employed individual.
However the standard documents that is usually needed include 2 Passport Photo, CPR, Passport Copy with residence permit (for expatriates), 6 Months Bank statements, CRB Consent form, Assets & Liabilities Declaration, Health Declaration and Income Proof.
- Income Proof:
- a. For Salaried Individuals – Last 3 month's salary slips, salary transfer letter & assignment of leaving indemnity from Employer (all in original).
 - b. Self-employed Individuals – CR copy, memorandum & articles of association, latest audited financial report of the company & PDCs.

- **How long will it take for the financial institution to contact me after I submit my application?**
 On receiving the application from duly filled, signed and presented with all the documents we will contact you within three business days to inform you about the status of your application.
- **How long will it take for the financial institution to approve my loan?**
 The time taken to approve a personal loan depends on the loan amount, but ideally would take a weeks' time.
- **How soon will I get my loan amount?**
 After loan being approved & the applicant completing all necessary documentation, including submission of the post-dated cheques (PDCs) if required, we will disburse the loan within two business days.
- **How do I receive the money once my personal loan has been approved?**
 Personal loan proceeds are usually paid to the customer via direct credit into his designated nominated account.
- **How often will I receive a statement?**
 Statements are issued at every end of the month but if you wish to know the balance in the meantime, simply contact us on 17548033.
- **Does the financial institution verify authenticity of the submitted documents and the details provided in my application?**
 Yes, the financial institution will verify all submitted documents and the details provided in your loan application. Your application could be declined in case of any discrepancies.
- **How do I repay my loan?**
 Since we are insisting that the customer has to transfer his salary to us on availing the loan, the customer has to give us standing instructions to ECS (Electronic Clearing System) where the monthly payment (EMI) will get automatically deducted every month from your bank account. In certain cases where salary transfer is not possible the customer has to issue post-dated cheques (certain cases) for the entire tenure of the loan
- **What if I default on my loan?**
 All your loan transactions are recorded in a central data bank which is recorded at BENEFIT Co. in their Credit Reference Bureau (CRB). Defaulting on a loan will show up poorly on your credit history and could pose a problem when applying for a loan / credit card in the future.
- **Does it affect my co-applicant if I default on a loan?**
 Co-applicants are also held responsible for repaying the loan. Defaulting on your loan will affect their credit rating as well.

- **If my loan application is rejected, does that reflect on my CRB record?**
If your loan gets rejected with the bank then it doesn't reflect in your CRB record, but after you avail your loan and then cancel it, CRB record will be updated.
- **Can the bank change interest rates whenever required?**
Yes the bank has the rights to change the interest rate as and when it deems appropriate. The bank may do it at its own sole discretion without customer consent.
- **Who will see my application? How is my privacy protected?**
All the information you provide is secured by the Bank's designated officials. Your application will only be reviewed by those parties involved in helping you fund your loan. Once the loan is sanctioned the documents will be kept in the safe locker.