

ICICI BANK CUSTOMER EDUCATION SERIES

TIMES BUSINESS ASSOCIATE COMMUNICATION

Did you know?

Today, most home loan companies verify the repayment record of your loans through credit bureaus before approving your loan/credit application.



Home Loan Repayment

When you take a home loan, you make a long-term commitment to the lender. This commitment could span a period of up to 20 years.

During this period, **regular payment of Equated Monthly Instalments (EMIs) through a convenient mode** is very important for both you and the lender.

Regular EMI payment

- Non-payment or delayed payment of EMIs can lead to:
 - A penalty of 2 to 3% on your EMI amount and
 - A negative record in your credit report generated by credit bureaus.
- It is advisable to maintain an amount equal to at least two EMIs as balance in your account.

Convenient modes of EMI payment

There are three modes through which you can make payment of the EMIs of your home loan:

• Post-dated cheques (PDCs)

This is a mode of payment where you are required to submit signed post-dated cheques to the home-loan provider for a tenure specified by them.

• Auto-debit

This is an electronic mode of funds transfer from your savings bank account to the home-loan account. To avail of this facility, both these accounts should be with the same bank.

• Electronic Clearing Service (ECS)

This too is an electronic mode of funds transfer from your savings bank account to the home-loan account. You can avail of this facility if your savings bank account and home-loan account are with different banks.

To summarise, ECS or Auto-debit is a convenient, safe and economical way of making regular periodic payments.

To know more, log on to: www.icicibank.com/home



Rate this article!

SMS <CES 1> for Excellent
<CES 2> for Good
<CES 3> for Ok or
<CES 4> for Bad
to 53030.

SMS Contest

Question:
Non-payment or delayed payment of EMIs can lead to _____.

Answer:

- A. a penalty of 2 to 3% on the EMI amount;
- B. a penalty of 2% on the principal amount;
- C. a penalty of 2% on your EMI and principal amount

SMS DISHA A, B or C to 53030 to win a 2N-3D holiday*. Contest open for the day of publication.

*Terms and conditions apply. Visit www.dishafc.org for details.

Tip of the day

Home loan companies allow you to choose the repayment cycle of your EMIs. Whether you are a salaried person or businessman, adjust the timing of the EMIs according to your cash inflows.

We welcome your questions, suggestions and feedback on this column. Please use the 'Email Us' link at www.icicibank.com or send us an SMS to 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.

BE AN INFORMED CONSUMER. Watch this space every Monday.