

Now, banks look to lure home loan, car loan takers with freebies and more

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Punjab National Bank and Bank of Baroda (BoB) are offering concessional interest rates on home loans, vehicle loans and personal loans.

Banks are wooing retail customers with some freebies or the other to entice them into taking loans during the festival season. State Bank of India (SBI) has waived processing fees for online home loan applications and loans for approved housing projects, Vaijinath MG, CGM, real estate and housing department of the bank, told FE.

Punjab National Bank and Bank of Baroda (BoB) are offering concessional interest rates on home loans, vehicle loans and personal loans. “Interest rates on home loans and car loans have been reduced by 0.25% across the board,” Ashok Aneja, GM, retail

banking at BoB, said. The festival offer, which includes waiver on processing fees, was launched by the bank on August 8 and has been extended till October 31, Aneja said.

Kotak Mahindra Bank has come up with discounts on personal loans. “On personal loans, we have introduced EMI holiday schemes for certain segments, where one EMI gets waived off,” said Shanti Ekambaram, president – consumer banking. The offer applies to loans with tenures of 36 months and above.

HDFC Bank has lined up a set of waivers on two-wheeler loans, especially for government employees, as a result of which borrowers will have to pay no processing charges on loans for Honda and Suzuki two-wheelers and no document charges on those for Mahindra two-wheelers. Some lenders, such as HSBC India, have tied up with e-commerce players. “On mortgages, we are offering attractive interest rates along with a 10% discount e-voucher from Urban Ladder for all loans disbursed,” S Ramakrishnan, head of retail banking and wealth management, said.

Ram Sangapure, executive director at Punjab National Bank, said: “Retail is doing relatively better, and offtake has been good, though it is not as buoyant as it used to be three years ago.” He expects a pick-up in retail offtake in coming quarters as the impact of the Seventh Pay Commission payout to government employees begins to play out.

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loans, whose contribution to non-food credit growth rose to an all-time high of 1.92%, or Rs 9,722 crore, in May, are also subject to discounts, which are being offered in some cases in association with retailers and e-commerce players. HSBC has tied up with Marks & Spencer, Cleartrip, Bookmyshow and Bigbasket, and Kotak Mahindra Bank offered an additional 10% cash back on credit card purchases made on Myntra till October 6.

Shritama Bose