

## FAQs

### **1. How are interest rates determined ?**

The Company's model for determining rate of interest takes into account relevant factors such as cost of funds, operating cost, margin, risk premium, return on assets & prevalent market lending rates in the Industry.

The Company takes a comprehensive approach to the gradation of risk that does not discriminate between classes of borrowers but tailors the interest rate to each loan.

The decision to give a loan and the rate of interest thereon are assessed on a case by case basis based on multiple factors which may include the borrower's credit record, borrower's cash flows & other financial commitments, the security for such loan, profile of customer, subventions available, inherent credit & default risk in the product & customer per se arising from customer segment etc. Hence the rate of interest for the same product & tenor availed during the same period by customers are not a standardized one but could be different for different customers.

All rates of interest will be annualized basis and will be communicated to the customers. Rates are subject to change as and when warranted by the situation and are always subject to the sole discretion of the management on a case to case basis.

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### **2. How do I get information on my existing loan?**

You can get information such as the outstanding loan amount, number of instalments paid or remaining instalments etc on your existing loan by calling at **18002094747** or visiting our nearest branch office in your city. You can also write to us at: [familycare@ltfinance.com](mailto:familycare@ltfinance.com)

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### **3. What are the options to pay the Equated Monthly Installment (EMI)?**

You can pay the EMI either through Post Dated Cheques (PDC) for the entire repayment period or through ECS (Electronic Clearing System). In case, you wish to avail of the ECS facility, please contact your nearest branch or write to us at: [familycare@ltfinance.com](mailto:familycare@ltfinance.com)

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### **4. As an existing customer, can I avail another loan?**

You can avail another Two-Wheeler/Car, loyalty loan depending upon your previous loan repayment record. For more information, please contact your nearest branch, or write to us at: [familycare@ltfinance.com](mailto:familycare@ltfinance.com)

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### **5. What happens after I have paid the last instalment?**

For your Two-wheeler/Car loan, we will issue a No Objection Certificate (NOC) and Form 35 (two copies each) to cancel hypothecation on the vehicle. The Registrar's Office requires a NOC and Form 35 for updating the registration book. Your two-

wheeler/car insurance company also requires a NOC to make the necessary changes on the policy taken out. For loyalty Loan, closure letters will be issued. If you have not received the above mentioned papers, then contact our branch office or write to us at: [familycare@ltfinance.com](mailto:familycare@ltfinance.com)

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#### **6. Can I sell my two-wheeler/Car before repayment of my loan?**

You cannot sell the vehicle unless you repay the loan. An NOC is required from the financier, before you can sell the vehicle.

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#### **7. What happens if the vehicle is stolen or meets with an accident?**

The first step is to lodge a First Information Report (FIR) with the nearest Police Station and thereafter inform the Insurance Company and nearest branch of FamilyCredit by letter. Thereafter submit the insurance claim form along with copy of FIR and insurance policy / cover note to the Insurance Company for processing your claim. Copies of the documents and letter submitted to the insurance company should be sent to us. Your claim is then processed and paid directly to us, unless you have taken an NOC from us.

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#### **8. How can I swap my cheques if I have changed my bank account?**

Visit our office in your city with the fresh set of Post Dated Cheques from your new bank account. Our Customer Service Executives at the branch will arrange to have the cheques swapped for you as per our policies in force at that time. The original cheques will be couriered to you at your mailing address. There is also a processing fee of Rs.500/- for swapping cheques which needs to be paid at the branch for the same. Please insist on a receipt for this fee.

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#### **9. Can I issue cheques from more than one bank account?**

Yes. We accept cheques from maximum two bank accounts as per the policies in force, provided the bank accounts are in your name and six months old.

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#### **10. In case of excess payment by me, when will I receive my refund cheque?**

In case of excess payment, please inform our branch, or write to us at: [familycare@ltfinance.com](mailto:familycare@ltfinance.com) and we will send a refund cheque of the excess amount after verifying your claim through courier to your mailing address.

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#### **11. What is the gradation of risk ?**

SRL NO.	CATEGORIES AS PER RBI	LOW RISK	HIGH RISK	FCL
1	SALARIED EMPLOYEES	P		P 30-40 PERCENT CLIENTELE AND REST SELF EMPLOYED
2	CLIENTS WITH BANK ACCOUNTS SHOWING SMALL BALANCES AND LOW TURNOVER	P		P
3	GOVERNMENT DEPARTMENTS AND GOVT OWNED COMPANIES/STATUTORY BODIES	P		ONLY EMPLOYEES OF THESE ORGANISATIONS
4	NON RESIDENT CUSTOMERS		P	x
5	HIGH NET WORTH INDIVIDUALS		P	x
6	TRUSTS, CHARITIES, NGOs, /ORGANISATIONS RECEIVING DONATIONS		P	ONLY INDIVIDUALS ARE FUNDED AS PER THE FCL INTERNAL CREDIT POLICIES AND CHECKS WITH PERSONAL INTERACTIONS WITH THE PROSPECTIVE CUSTOMERS
7	COMPANIES HAVING CLOSE FAMILY SHAREHOLDING OR BENEFICIAL OWNERSHIP		P	
8	FIRMS WITH SLEEPING PARTNERS		P	
9	POLITICALLY EXPOSED PERSONS (PEPs) OF FOREIGN ORIGIN		P	
10	NON-FACE TO FACE CUSTOMERS		P	
11	CUSTOMERS WITH DUBIOUS REPUTATION AS PER PUBLIC INFORMATION AVAILABLE		P	

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## 12. What are the interest rates charged to the customer?

Range of interest rates of our products , based on reducing

balance :

New Car – 13% to 15% p.a.

Used car- 18% to 20% p.a.

Two Wheeler – 22% to 25% p.a.

Loyalty - 22% to 25% p.a.