

Key Fact Document

Product Type - Personal Loan – Loan Against Property

Description of the product/ delivery channel

Loan against Property (LAP) developed under the Personal loan product which enhance the limitations of unsecured personal loan offered to the market. LAP enables longer repayment with less interest rates compared to unsecured personal loan.

1. Eligibility

- Age 18 – 65
- Borrower has to be a Sri Lankan Citizen
- The purpose should be legitimate, viable, sustainable and acceptable to the Bank
- Loan Against Property offered primarily to "Salaried Employees" and other specific categories as stated in target segment.

2. Target Segment

- Salaried Borrower - Employed in a Government/Private or Family controlled company
- Salaried or Business Professionals
- Business Borrowers
- Sri Lankan citizens working abroad (excluding the applicants who are permanently residing outside of Sri Lanka (PR) and Dual citizens)

3. Interest Rates - Please refer the HNB Web site - (www.hnb.net ➡ Loans ➡ Personal Loans View Interest Rates)

4. Repayment Terms - *Repayment period is maximum of 15 years. (Maximum 5 Year repayment for Sri Lankans who are working abroad)

Financial and other benefits to customers including incentive and promotions

- Competitive interest rates
- Longer repayment up to 15 Years

Cost to Customers – Fees/charges, commission, interest, etc.

- Fixed/Floating interest rates and combined fixed cum floating rates
- Penal interest on overdue capital
- Penalty on overdue instalments
- Standard documentation charges
- Standard early settlement charges/Interest reduction charges
- Valuation charges
- Legal charges
- Stamp Duty
- Insurance Premium if applicable

Procedure to be followed to obtain the product/delivery channel

- Call or Visit the closest branch (250+ island wide)
- Obtaining, completing and forwarding an application with required documents. (All the Branches island wide)

Key Terms & Conditions

- Minimum income should be Rs. 100,000/-
- Minimum and maximum loan amounts are Rs.1.0Mn & Rs.50Mn respectively.
- Consider only in Sri Lankan Rupee (LKR)
- A letter of undertaking from the employer to route the salary to an account maintain at HNB or Standing Order instructions along with undertaking from the customer that he/she will not change same within the tenure of the facility.
- Acceptable CRIB Report
- Total deductions including instalments of the proposed loan, together with the existing deductions/loan commitments to be within 50% of the net salary.

- Repayment up to the retirement age for salaried borrowers and up to the 65th birthday for Business Clients.

Security Details

- Mortgage over residential / Commercial property

For more information – 0112 462 462/ hnbconnect@hnb.lk