

Vide RBI guideline (reference no RBI/2023-24/85 DoR.MCS.REC.32/ 01.01.003/2023-24) on Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans”, borrowers are provided with the following options for your term loan with South Indian bank

- The below mentioned guidelines are applicable for all the floating interest rate term loans which are provided to the individual for personal purpose i.e., Personal loans, Housing loans, Education loans, vehicle loans etc. with effect from 01.01.2024.
- At the time of reset of interest rates, the borrowers are provided with a choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options.
- The eligible borrowers are also provided an option to switch from floating interest rate to fixed interest rate to the maximum of two times during the tenor of the loan.
- The charges applicable for switching from floating interest rate to fixed interest rate is as mentioned below

<b>Norm</b>	<b>Particulars</b>
Switch over charge	An amount equal to 1% of outstanding amount for every full year of residual maturity shall be collected as upfront charges for switching of interest rate for the loan. A minimum of 5% of outstanding amount and a maximum of 10% of outstanding amount shall be charged irrespective of the number of years of residual maturity.

- If the borrower opts for fixed rate loan during tenor of the loan, then applicable ROI shall be priced higher than the existing floating rate loan based on the remaining tenure as mentioned below.

<b>Remaining tenure</b>	<b>Offset rate</b>
< 5 years	50 bps
5 <10 years	100 bps
10 < 15 years	200 bps
15 years & above	250 bps

- Borrowers are also provided with the options as mentioned below in case of change in the ROI of your term loan.
  1. Change in tenor
  2. Change in EMI
  3. Change in both (EMI & Tenor)

For any further queries on the above mentioned options, you may contact your nearest branch