

FAQs ON CANARA VEHICLE LOANS (FOUR WHEELERS)

Who are eligible to avail Canara Vehicle Loans?

All individual borrowers / professionals / reputed firms / companies are eligible for availing loans. HUF is not eligible for Canara Vehicle loan.

Which types of vehicles are financed under Canara Vehicle Loans?

We finance all kinds of four wheelers including Jeeps, Vans - both brand new and pre-owned.

What is the income criterion for availing car loan?

Salaried Class:

Salaried Individuals should have a minimum gross salary of Rs.3.00 lacs p.a. Net take home (NTH) salary after taking into consideration the installment of proposed loan should be 40% with a minimum of Rs.12000/- p.m.

Other than Salaried Class:

This category should have a minimum gross average annual income of Rs.3.00 lacs p.a.(Average of last 3 years and as per ITR/ITAO).Net take home after taking into consideration the installment of proposed loan should be 40% with a minimum of Rs12000/- p.m.

While determining income eligibility, whether any other type of income can be considered?

Any other income declared by the applicant like rental income / income from investment / income of the spouse can also be considered subject to production of documentary evidence.

What is the maximum eligible amount under Canara Vehicle Loan Scheme for Cars?

There is no upper limit on the loan amount for purchase of brand new cars. We finance upto below-mentioned percentage of the total value of the vehicle inclusive of invoice value, life tax, registration charges, insurance premium and other accessories.

Loan upto Rs. 10.00 Lacs-----90%

Loan above Rs. 10.00 Lacs & upto Rs. 25.00 Lacs-----85%

Loan above Rs. 25.00 Lacs----80%

However, for purchase of pre-owned vehicles, not older than 5 years, finance shall be least of the following:

- i. 75% of the value of vehicle as appraised / assessed by an automobile engineer.
- ii. 75% of the price agreed to between the seller and buyer.
- iii. 75% of the original purchase price of the vehicle.
- iv. Rs.15.00 lacs (after maintaining a minimum margin of 25%)

What is the margin amount?

If you are buying a brand new car, you have to bring in following margin on on-road-price i.e. total value inclusive of invoice value, life tax, registration charges, insurance premium and other accessories

10% in case of loan upto Rs. 10.00 Lacs

15% in case of loan above Rs. 10.00 Lacs & upto Rs. 25.00 Lacs

20% in case of loan above Rs. 25.00 Lacs

If you are buying a pre-owned car, you have to bring in 25% of the project cost.

What is the maximum repayment tenure permitted?

In case of New Vehicle, maximum repayment period is 84 months.

In case of old vehicle, maximum repayment period is upto future life of the vehicle as specifically mentioned in the valuation report of qualified automobile Engineer or 60 months whichever is less.

What are the lending rates?

Our lending rates are floating and linked to Base Rate of the Bank. Our present rates on Car loan are:

In case of Women borrowers (In case of joint loan First Borrower being woman) - Base Rate + 0.25 % (i.e. Presently 10.25%).

In case of men borrowers- Base Rate + 0.30 %(i.e. Presently 10.30%).

How is the interest charged/calculated?

Interest is calculated on daily reducing balance basis.

Do I have to pay any Processing charges?

You have to pay nominal processing charges @ 0.25% on the loan amount –Minimum Rs.1000/- and maximum Rs.5000/-.(Waived from 17/08/2015 till 31/01/2016).

How do I approach Canara Bank for a Car Loan?

You can approach us in any of the following ways

- Apply online by logging on to our website – www.canarabank.com
Personal Banking>>Loan Products>>Canara Mobile(Vehicle)
- Call our Call Center 1800 425 0018
- Give a missed call to 09268592685 to get SMS on Product Information on Vehicle Loan
- You can just walk into any of our nearest branches/RAHs.

What security/collateral do I have to provide?

- Hypothecation of car against which the loan is granted.
- Personal guarantee of a person good for loan amount and acceptable to Bank.

Can I prepay my loan?

Yes you can prepay. We do not charge any prepayment penalty fee.

If I am already having a car loan with Canara Bank, whether I can avail another car loan even if the earlier car loan is still outstanding?

Car loan for 2nd & subsequent vehicle is permitted subject to some conditions and earlier car loans having no overdues.

Whether recently purchased vehicles will be considered as old vehicles and terms and conditions of financing old vehicles will apply in such case?

Vehicle, which is not older than 1 month from the date of their purchase / first registration, can be treated as new vehicle and the same can be financed on the terms and conditions as applicable for purchase of brand new vehicle. However in all such cases, our borrower should be the first transferee.

FAQs ON CANARA VEHICLE LOAN (TWO WHEELER)

Who are eligible for a 2- Wheeler loan?

Salaried individuals should have a minimum Gross Salary of Rs. 75,000/- p.a. and net take home salary of 40% of gross salary at the time of applying for loan (after meeting the installment for the proposed loan under this scheme).

Professionals and other non-salaried persons should have a minimum annual income of Rs.75, 000/- to be evidenced by Income Tax Assessment Order / Income Tax Return.

Whether loan is considered for second hand vehicle?

No, we consider loan for purchase of only brand new vehicles under 2-wheeler category.

How much quantum is financed by Bank?

In case of Salaried Persons-

Loan may be granted upto 80% of the total value inclusive of invoice value, life tax, registration charges, insurance premium and other accessories.

Or

to the extent of 50% of their annual net income in the immediate previous year whichever is less.

In case of Professional and other non-salaried individuals-

Loan may be granted upto 75% of the total value inclusive of invoice value, life tax, registration charges, insurance premium and other accessories

Or

to the extent of 50% of their annual net income in the immediate previous year, whichever is less.

What is the rate of interest?

It is Base Rate of Bank + 3.00% and presently it is 13.00%.p.a.floating

What is the repayment period allowed?

Maximum 60 months period is allowed for repayment.

What is the security to be provided?

1. Hypothecation of the vehicle purchased.
2. Suitable guarantor good for the amount of the loan and acceptable to Bank.

What are the processing charges applicable?

0.25% of Loan Amount Min. Rs. 250/- & Max. Rs. 1000/- (Waived from 17/08/2015 till 31/01/2016).

What are the other charges payable?

- Inspection Charges- Rs. 200/- per inspection Max.Rs.600/- per year.
- All out of pocket expenses like Outsourcing Charges, CIBIL Charges, Insurance premia to be borne by the borrower.