

HOW TO TAKE A CAR LOAN

Most banks take six to seven days to disburse a car loan even though most of them promise to complete the process in 48 hours. Here are four basic steps to get a loan.

CHOOSE LENDER

You can find out the interest rates offered by various lenders at one spot through loan portals, or visit the banks individually. Choose a few you like and negotiate for lower interest rates and choose the cheapest. Remember to check for special discounts, if any.

COMPLETE DOCUMENTATION

Typically, you would need an identity proof (permanent account number card, passport), income proof (salary slip, Form 16) and address proof (ration card, phone bill, electricity bill). Usually, lenders send their representatives to collect the required documents. Do keep a copy with yourself.

WAIT FOR VERIFICATION

Once your documentation is complete, the lender will send its agent to your home and/or workplace for verification. Make sure you are available during the visit to clarify doubts, if any.

GET LOAN

If the lender is satisfied with your verification, he will get the loan papers signed by you and disburse the loan in the form of a cheque or a demand draft soon after.

AVAILABLE RATES

Here are the fixed interest rates offered by various banks on a car loan of Rs5 lakh for five years as on 7 April.



8%
State Bank of India (SBI)*



10%
Federal Bank



10.5%
Saraswat Bank



10.5-11%
Punjab National Bank



11%
IDBI Bank



Rates are indicative and may change according to the credit profile of the customer

*SBI offers 8% fixed rate for the first year, 10% for the 2nd and the 3rd year, 0.75% below SBAR (SBI's benchmark prime lending rate) for the 4th and the 5th year. The current SBAR is 11.75%

Source: Apnapaisa.com, Mint research