

FACTORS AFFECTING INTEREST RATE FOR LOANS:

1. **Type of Interest rate:** VHFPL offers fixed rate of interest.
2. **Credit Score:** Credit score plays an important role in securing loans at reasonable interest rates. Credit score depicts repayment history of existing loans, financial discipline or habits and credit worthiness.
3. **Business vintage:** Seasoned business vintage with proven credit history provides a comfort factor to the lenders.
4. **Nature of Business:** The nature of business is defined by activities that individual engages in. It is a crucial factor in determining term loan interest rates as it helps the lender in examining whether business is profitable or not.
5. **Banking habits:** Business transactions or cash flows through banking system give an added advantage to prove the income for assessment.
6. **Loan to Value:** LTV is the percentage of the property value that can be financed. Larger the amount of loan, higher the risk and vice versa.
7. **Income proofs:** Income proofs such as IT returns, GST returns, salary slips plays a significant role in assessing the loan eligibility and interest rate.
8. **Geographical location:** The location of the property and the business plays a vital role in assessing the resale value of the property and the market potential for the business carried out.

Factors affecting Loan against property and Business Loan:

End use: End use of the loan is also factored in determining the interest rate, whether it is for personal consumption or business development.