

"BUILDING DREAMS, CREATING HOMES"

PREMIUM
2 BHK
ROW
HOUSING

GET
IN TOUCH



SwanshInfratech.com



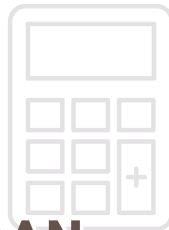
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Near Parvati Nagar
2 Railway Crossing,
Namovihar layout,
Amravati



HOME LOAN AT A GLANCE



A TO Z OF HOME LOAN
FOR
FIRST TIME HOME BUYERS



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AN INTRODUCTION



Welcome to Swansh Infratech's comprehensive guide to navigating the home loan procedure in India. Whether you're a first-time homebuyer or looking to invest in property, this ebook will provide you with valuable insights and step-by-step instructions to make the home loan process smooth and hassle-free.

WHY IT IS RIGHT TIME TO BUY A HOME?

- Current low interest rates make home loans more affordable.
- Real estate tends to appreciate over time, making it a valuable investment.
- Favorable market conditions offer a wide selection of properties at competitive prices.
- Homeownership often comes with tax deductions and incentives, reducing overall financial burden.
- Owning a home provides security, stability, and a sense of belonging in the community.



UNDERSTANDING HOME LOAN

A home loan is money you borrow from a bank or lender to buy a house. You pay back the loan in monthly installments, which include both the loan amount and interest over the course of the tenure (period of loan). It's like renting money from the bank to buy your own home, making it possible for you to become a homeowner even if you don't have all the money upfront.

TYPES OF HOME LOAN

ONE

HOME LOAN

This is the most common type of home loan. There are many housing finance companies, public banks, and private banks that offer housing loans where you borrow money to purchase the house of your choice and repay the loan in monthly instalments.

TWO

HOME CONSTRUCTION LOAN

This is the right home loan type if you already have a plot of land and you need financing to construct a house in that land.

THREE

HOME EXTENSION LOAN

If you would like to extend the existing house with another room or another floor to accommodate the growing family. Home extension loan provides financing for this purpose.

FOUR

HOME IMPROVEMENT LOAN

It provides financing for renovating or repairing the house such as painting the house's interior or exterior, plumbing, upgrading the electrical system, waterproofing the ceiling, and more.

FIVE

HOME LOAN BALANCE TRANSFER

You can even transfer the home loan's outstanding balance to that lender who offers a lower interest rate and better service. Upon transfer, you can even check out the possibilities of a top-up loan on your existing one.

SIX

COMPOSITE HOME LOAN

This type of home loan provides financing for purchasing the plot of land where you would like to construct a house and for the construction, both within a single loan.

TYPES OF INTEREST RATES FOR HOME LOAN



➤ FIXED INTEREST RATE

➤ FLOATING INTEREST RATE



If you are unable to decide, opt for a combination loan which is part fixed and part floating
You can switch between a fixed and floating rate at a nominal fee

FIXED RATE

- Fixed interest rate means repaying the home loan in fixed and equal installments throughout the loan tenure.
- This rate remains constant regardless of fluctuations or changes in the financial market conditions.
- Preferred when the financial market is uncertain or when foreseeing a rise in interest rates.

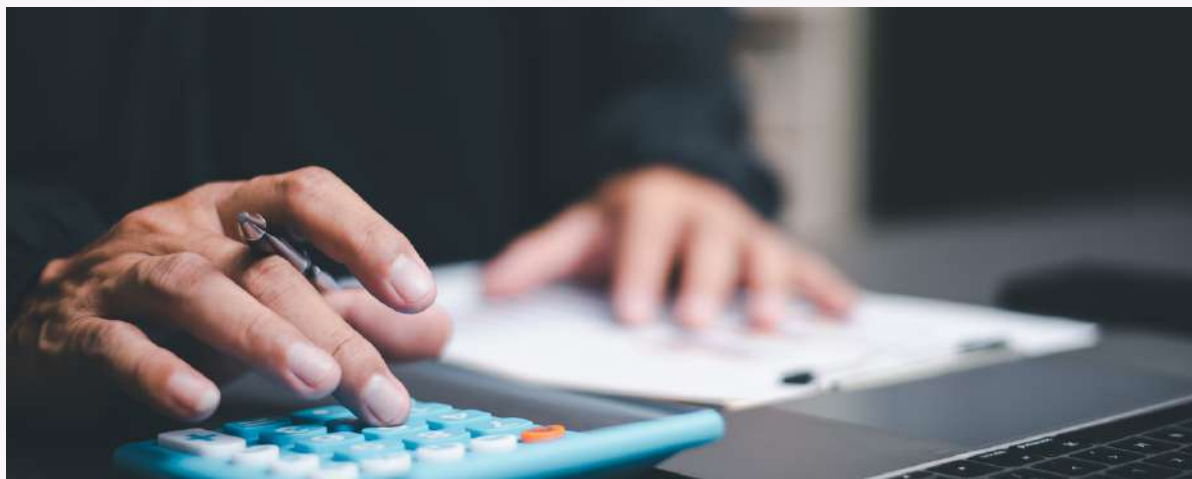


FLOATING RATE

- Interest rate that fluctuates based on market conditions.
- Depends on the base rate offered by lenders, so changes when the base rate changes.
- Usually cheaper than fixed interest rates but can vary over time.
- Popular among homebuyers due to its flexibility and attractive rates offered by banks and NBFCs



FIRST THING FIRST



WEIGHING YOUR FINANCIAL STATUS

Before you decide to buy your own home ,you need to weigh your financial status.for this you need to first assess your monthly saving after managing expenditure.if you have surplus income to pay your loan and other upcoming expanses then you should definitely go for home loan. Home Loan will make it possible for you to fulfill your dream of having own house and building a property for lifetime by paying less or more then the rent .



If you want to estimate the amount that you can borrow from the lending bank, it is roughly 80 - 90% of the value of your property. The first 10-20% is to be given as a down payment for you to get the loan. This requires a bit of financial planning since you need to have this amount of money in hand if you wish to get the loan.

ELIGIBILITY CRITERIA

CHECKING ELIGIBILITY

Home loan eligibility is how a bank decides if you can borrow money to buy a house. They look at things like your age, financial position, credit history, credit score, other financial obligations etc. and see if you've paid back loans on time before.

There are many home loan eligibility calculator online available. Here is a link from HDFC Home loan eligibility checker, you can get an idea of how much loan amount you can avail based on details you enter.



 [HDFC HOME LOAN ELIGIBILITY CALCULATOR](#)



TIPS TO IMPROVE HOME LOAN ELIGIBILITY

➤ Improve Your Credit Score

Pay your bills on time and keep your credit card balances low. A good credit score makes it easier to get approved for a home loan.

➤ Keep Your Fixed Obligations Below 40%

Lenders want to see that you have enough income to cover your living expenses and loan payments. Aim to keep your fixed obligations below 40% of your income.

➤ Choose a Longer Loan Term

Opting for a longer loan term lowers your monthly payments, making it easier to qualify for a loan. But remember, you'll pay more interest over time.

➤ Apply with a Co-Borrower

If you have family members with good incomes, applying for a loan together can increase your chances of approval.

➤ Declare Additional Income

If you have other sources of income, like rent or a part-time job, make sure to include them in your loan application. This can increase your eligibility for a higher loan amount.

➤ Pay Off Debts

Lenders look at your debt-to-income ratio when considering your loan application. Paying off debts improves your eligibility.

UNDERSTANDING EMI & HOME LOAN STRUCTURE

WHAT IS AN EMI ?

Home loan EMI, or Equated Monthly Installment, is the fixed amount of money you pay each month to repay your home loan. It includes both the principal amount (the actual loan amount) and the interest charged by the bank or lender. EMI makes it easier to manage your loan repayments as you pay a consistent amount every month until your loan is fully repaid.

Here is a link from SWANSH INFRATECH's EMI calculator, you can get an idea of how much money you need to pay every month.



 [SWANSH INFRATECH HOME LOAN EMI CALCULATOR](#)

HOME LOAN STRUCTURE

When you decide to borrow a home loan, you're undertaking a significant financial commitment that spans a long duration. This entails agreeing to repay a portion of the loan every month through Equated Monthly Installments (EMIs). It's crucial to grasp the loan's structure before initiating the application process, whether the repayment begins right after receiving the loan amount or following a specified grace period. Generally, there are four key components of the loan that you should familiarize yourself with.

➤ PRINCIPAL AMOUNT

This is the sum of money sanctioned by the lender, determined based on the property's market value and your down payment capacity. Typically, lenders offer up to 80% of the property's market value as the principal loan amount, which you repay along with interest.

➤ INTEREST RATE

As the borrower, you're required to pay an interest rate on the principal loan amount provided by the lender. This interest rate is a component of your monthly home loan EMI, along with the principal amount.

➤ LOAN TENURE

Lenders offer home loan tenures of up to 25 years or more. The loan tenure directly influences your monthly EMI amount. Longer tenures usually result in lower EMIs but higher overall interest payments, while shorter tenures may lead to higher EMIs but lower total interest costs.

➤ EMI

As described in the beginning EMI is monthly installment of loan paid by home buyer to the lender that consist of both interest and principal loan amount.

HOME LOAN SOURCE

Building a dream house or purchasing one is considered quintessential in many ways. Home loans help individuals achieve this goal by providing the required financial support. One thing is very important to remember that the interest paid on home loans is eligible for tax exemptions. Taking a home loan also ensures that the applicants do not impact their liquidity as the financing is through a loan and their bank balance does not show an immediate impact.

Home loans can be obtained from various financial institutions, It's essential to research and compare offerings from different lenders to find the best home loan option that suits your needs and financial situation.

BANKS

Home loan services are available from a variety of banks, including public sector banks, private sector banks, and cooperative banks, each offering different loan terms and rates tailored to your needs.

NON-BANKING FINANCIAL COMPANIES (NBFCs)

NBFCs specialize in providing loans and financial services, offering competitive home loan options with flexible terms and quick processing.

GOVERNMENT SCHEMES

Government-sponsored schemes and initiatives also offer housing finance options for eligible individuals, providing subsidies and incentives to make home ownership more accessible and affordable.



HOUSING FINANCE COMPANIES (HFCs)

HFCs focus solely on housing finance, providing specialized loan products designed to meet the unique needs of homebuyers, often with attractive interest rates and repayment options.

CHOOSING RIGHT LENDER

Interest Rates should be not the only determinant of a choosing a Home Loan. There are many aspects you should consider before taking the final decision. These are the key points to consider:



INTEREST RATES

Compare Interest rates to find the lowest ,as the loan amount is big even small variation in interest rate can make a big difference.



TERMS OF REPAYMENT

Read the loan agreement. Apart from the standard EMI agreement, you should also know what will happen in case you want to pay off the loan at one go, speed up the payments, or transfer it into someone else's name (if you sell the house)



PROCESSING TIME

Find out how quickly the lender can give you the money after completeing all processing



LOAN TERMS & OFFERS

Check how long you have to pay back the loan and if there are any extra fees and also look for any special offers or perks the lender might have.



REPUTATION

Choose a lender that people trust and has been around for a while.



CUSTOMER SERVICE

See if the lender is helpful and explains things clearly.



Look for discounts and concessions - Some financial institutions offer concessions to senior citizens and women while others might waive processing fees and offer other discounts. Don't just look at rates, but offers and discounts too. Check the hidden charges if any.

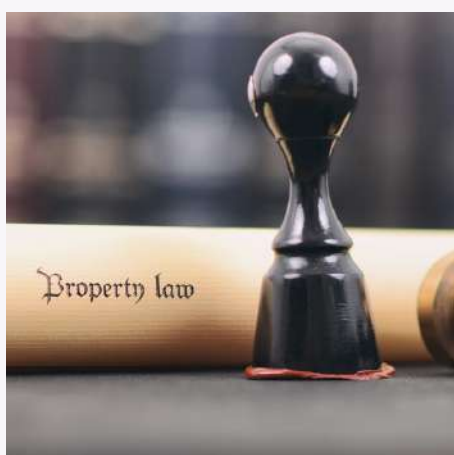
LOAN DOCUMENT CHECKLIST

These are some of the essential property papers required for obtaining a home loan. It's important to ensure that all the necessary documents are in order and legally sound to facilitate a smooth loan approval process.



PERSONAL IDENTIFICATION DOCUMENT

- Identity proof like PAN/passport/driver's license/voter ID card
- Proof of current address: Recent copy of electricity bill/ copy of
- passport/driving license/Aadharcard
- ID card issued by current employer
- Passport size photos



PROPERTY PAPERS

- Sale Deed
- Title Deed
- Property Tax Receipts
- Encumbrance Certificate
- Approved Building Plan
- NOC from Relevant Authorities



INCOME PROOF

- Details of any active loans
- Proof of Salaried Income
- 3 years Income Tax Returns
- 3 years CA Certified Balance Sheet
- Bank statements or passbooks (of the last six months)
- CIBIL (credit) score will be checked by the bank

CONSIDERATION BEFORE SIGNING LOAN OFFER LETTER

Before signing Home Loan Offer letter received from the bank, you need to carefully check these things, which are very important in respect to Home Loan.

CHECK THESE OUT	ONE	LOAN AMOUNT SANCTIONED	The total amount of money the bank is willing to lend you for purchasing your dream home.
	TWO	INTEREST RATE	The percentage of interest you'll pay on the loan amount type of interest rate fixed or floating?
	THREE	RATE CHANGES OVER TIME	If the interest rate is subject to change during the loan term or it will remain same.
	FOUR	LOAN DISBURSEMENT IN INSTALLMENTS	How many payments the bank will make to you.
	FIVE	APPLICABLE SCHEMES OR OFFERS	Any special deals or discounts that may apply to your loan.
	SIX	EMI AMOUNT	The monthly installment you'll pay, including both principal and interest.
	SEVEN	TERMS AND CONDITIONS	The rules and requirements of the loan agreement.
	EIGHT	LOAN TENURE	The period within which you must repay the loan.

TIPS TO REPAY YOUR HOME LOAN FASTER

Owning your dream home is an exciting milestone, but it comes with the responsibility of repaying the loan used to purchase it. Despite recent reductions in interest rates by most banks and NBFCs, the monthly EMI burden can still be substantial for many. However, by managing your finances wisely and handling your monthly EMIs carefully, you can repay your home loan faster and with less stress. Here are some simple tips to help you achieve that:

INCREASE DOWN PAYMENT

When you plan to purchase a home, usually 80-90% can be met through a home loan, while the remaining will need to be managed by you.

Ideally if you can manage higher down payment, it reduces the loan amount and subsequent EMIs, but remember to plan for future expenses and emergencies.

SWITCH LENDERS FOR LOWER RATES

If your current lender charges high interest, consider moving to another offering lower rates after researching potential fees and charges.

MAKE PREPAYMENTS

Using extra funds to prepay reduces your principal amount, lowering EMIs and loan tenure. Many lenders now allow prepayments without penalties.

CONSIDER LONGER TENURE

Opting for a longer loan tenure spreads payments over more years, resulting in lower monthly EMIs, giving you time to improve finances and make prepayments later.



NEGOTIATE INTEREST RATE

Being a loyal customer may help you get a lower interest rate or waive processing fees, easing your EMI burden.



Thank you and Congratulations on taking the first step towards homeownership with Swansh Infratech! We hope this ebook has provided you with valuable insights and guidance on navigating the home loan procedure in India. For further assistance or to explore our range of properties, please don't hesitate to reach out to our team. Happy home buying!