

RIGHT LOAN OPTION FOR A CRISIS

The disbursal is quick and interest rate is reasonable

BINDISHA SARANG



- The interest rate on loan against gold starts at 7.25 per cent and goes up to 27 per cent per annum, which makes it a better alternative than credit cards.
- Since it's a secured loan, lenders process it faster than a personal loan.
- You will have to go physically to the lender's branch to avail of it. Branches are open currently in green and orange zones.

- You can get loan up to 60-80 per cent of the value of your gold. Some lenders transfer the money into your bank account within half an hour.
- This loan allows you to make partial payments of both interest and principal if you want to.
- If you avail of an overdraft facility, interest is charged only on the amount borrowed and for the time you take to repay it.

RATES AND CHARGES-GOLD LOAN

Name of Lender	Interest rate (%)	Processing fee*	Loan amount (₹)	Loan tenure
State Bank of India	7.25-7.75	0.50% (minimum ₹500)	20,000-20 lakh	Up to 3 years
Punjab & Sind Bank	8.50-9.75	₹500-10,000	1,000-25 lakh	Up to 1 year
Karnataka Bank	8.70-9.00	0.50%	Up to 25 lakh	Up to 1 year
South Indian Bank	9.25-9.75	Up to 0.10%	5,000-10 crore	Up to 3 years
Central Bank of India	9.25	0.50%	Depends on value of gold	Up to 1 year
Punjab National Bank	9.00-9.25	0.75%	Up to 10 lakh	Up to 1 year
Muthoot Finance	Up to 27	Up to 1%	1,500 onwards	Up to 3 years
Kotak Mahindra Bank	10.50-17	Up to 2%	Up to 50 lakh	Up to 4 years
Bank of Baroda	9.25-10	Up to 0.5%	Up to 25 lakh	Up to 1 year
Manappuram Finance	12-29	₹10 (at the time of settlement)	1,000-1.5 crore	Up to 365 days
Bandhan Bank	10.99-18.00	1%	10,000 onwards	6 months-3 years
IFFL Finance	9.24-24.00	Depends on the scheme availed	3,000 onwards	3 months-11 months

*% of loan amount; Rates as on May 20, 2020.

Source: Payscale.com