



For purchasing a tractor, seeds, fertilisers and farming equipment.



Banks also give loans for constructing a house or a shop or starting a business, for buying vehicles for taxi service, rickshaws, for education, etc. Banks also give loan to purchase a bullock.

For all these purposes, even our moneylender Dhaniram will give a loan. Then why should we go to the bank?



Okay. I will tell you the reasons. Suppose you take a loan of Rs 1000 from Dhaniram.

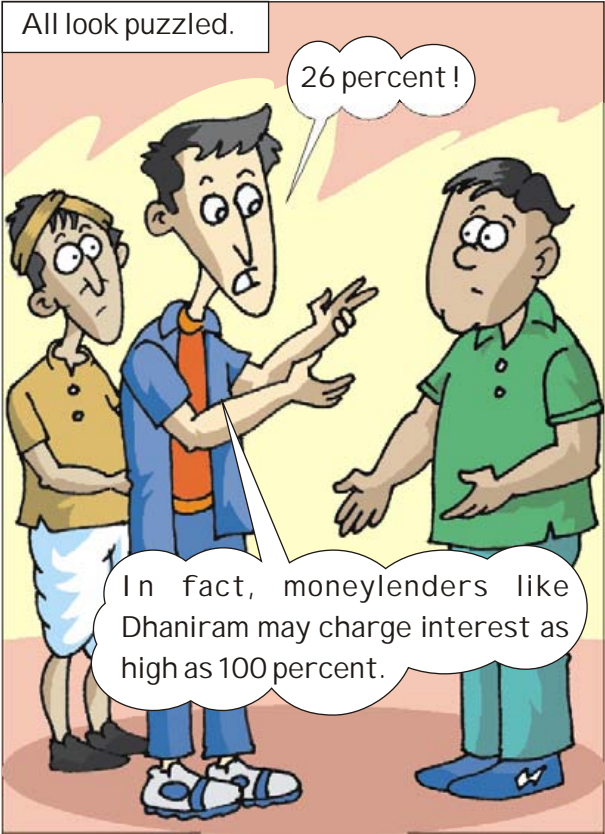


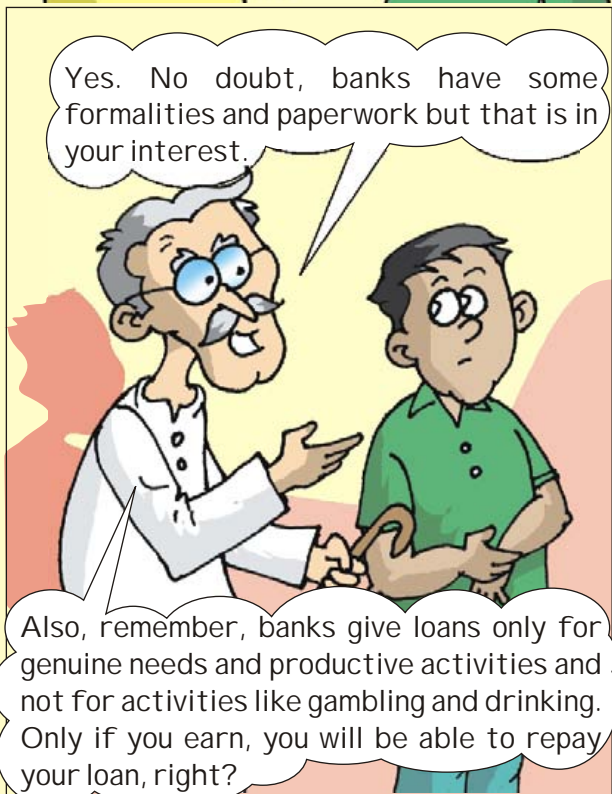
He asks you to repay Rs 260 as interest on the loan.

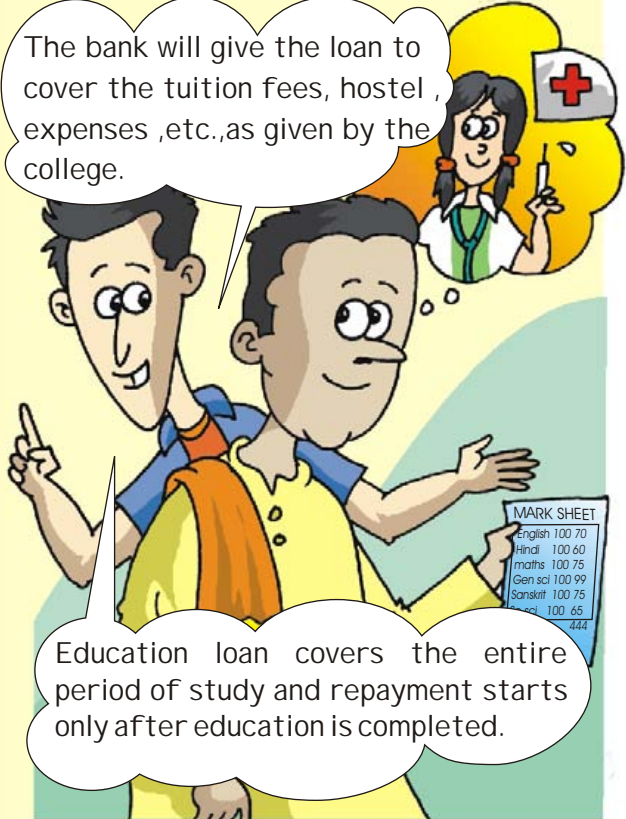
So you have to pay him Rs 105 every month. This will take you one year to repay the entire amount of Rs. 1260.

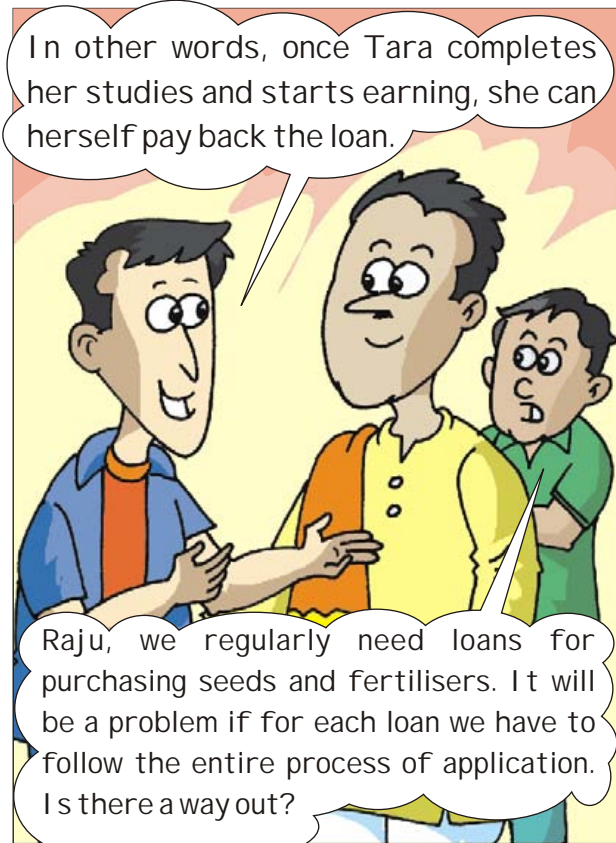


Do you know how much interest he has charged you?









In other words, once Tara completes her studies and starts earning, she can herself pay back the loan.

Raju, we regularly need loans for purchasing seeds and fertilisers. It will be a problem if for each loan we have to follow the entire process of application. Is there a way out?



Oh yes! Banks have a scheme called the Kisan Credit Card (KCC) for the farming community.

It is very convenient. First the bank will assess all your farming and consumption requirements and sanction an overall loan limit.



This will be given in the form of a credit card, called Kisan Credit Card (KCC).

with this card, the farmer can draw money for his short term needs of seeds, fertilisers, consumption, etc., and pay back as soon as he can. He can also draw money under this credit card to dig wells, buy tractors, bullocks, implements, etc.



Then how do I keep track of my repayments?

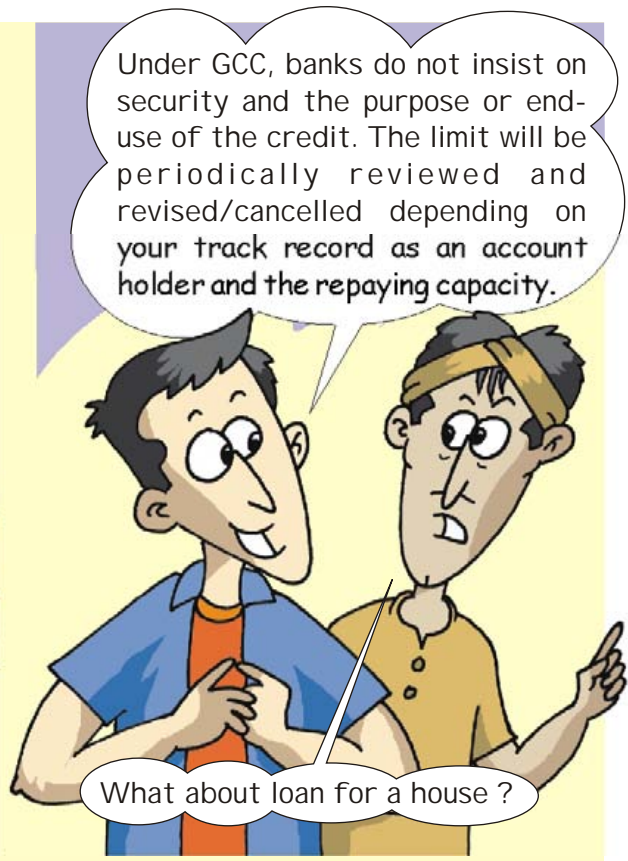
You need to repay the amount withdrawn within a year. KCC is available for any productive activity.



Banks also issue General Credit Card (GCC) for saving account holders.

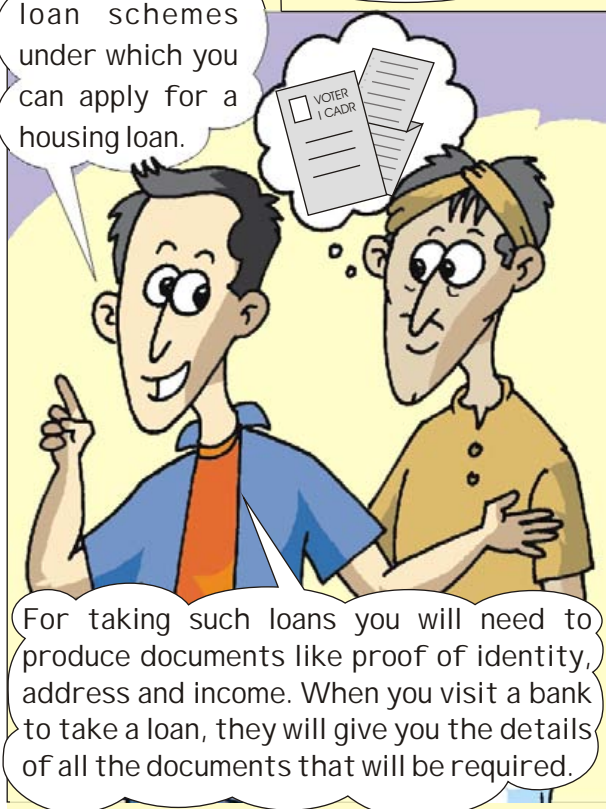
Banks have many housing loan schemes under which you can apply for a housing loan.

What is that?

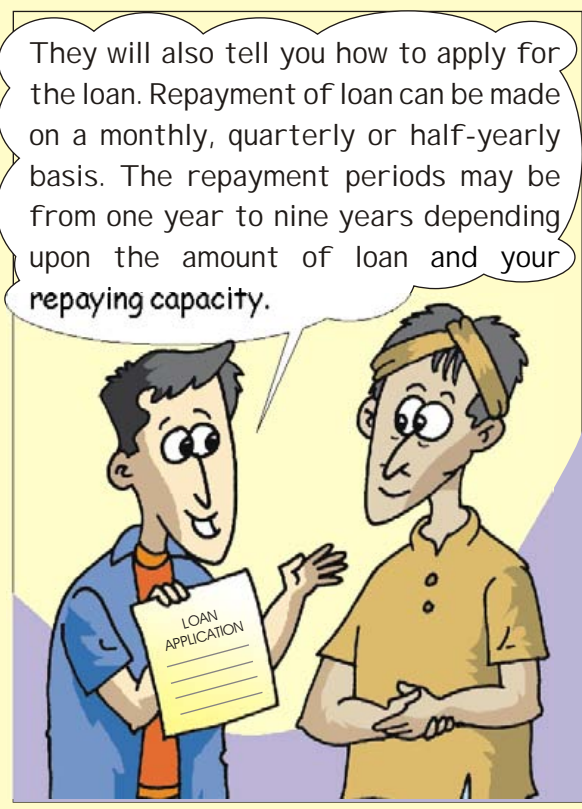


Under GCC, banks do not insist on security and the purpose or end-use of the credit. The limit will be periodically reviewed and revised/cancelled depending on your track record as an account holder and the repaying capacity.

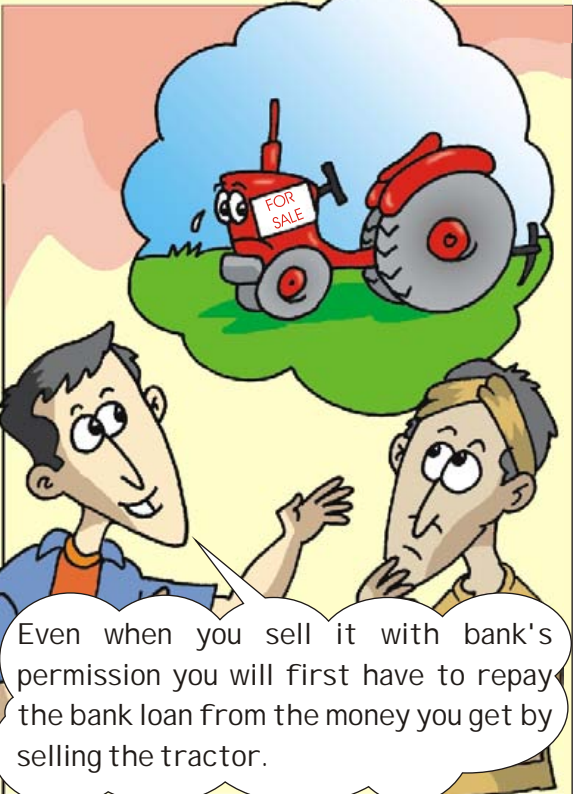
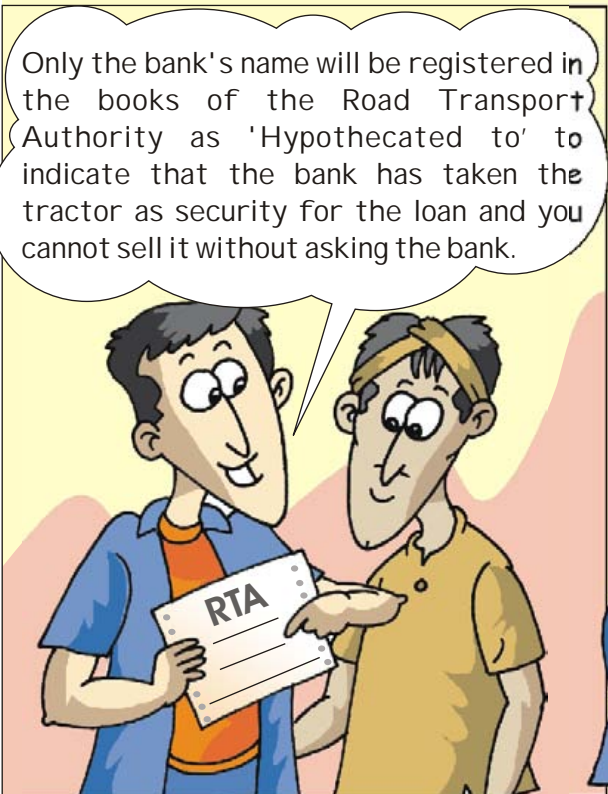
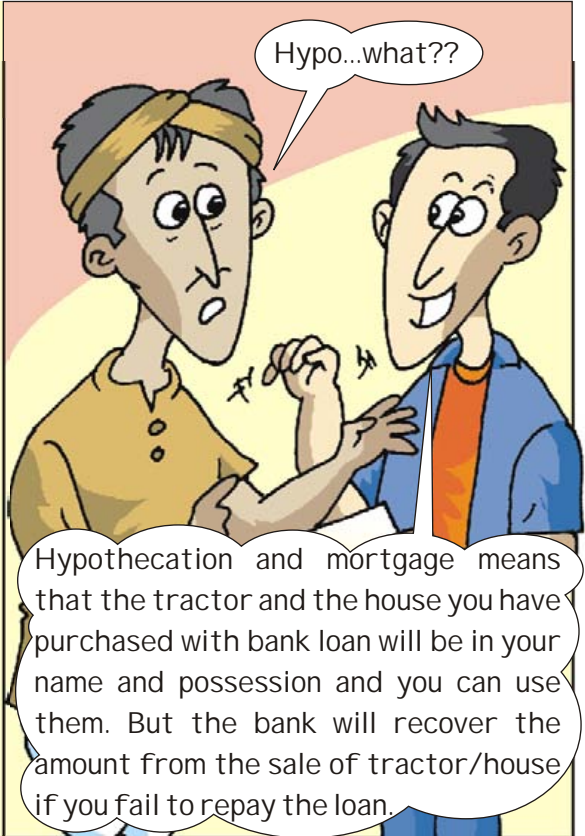
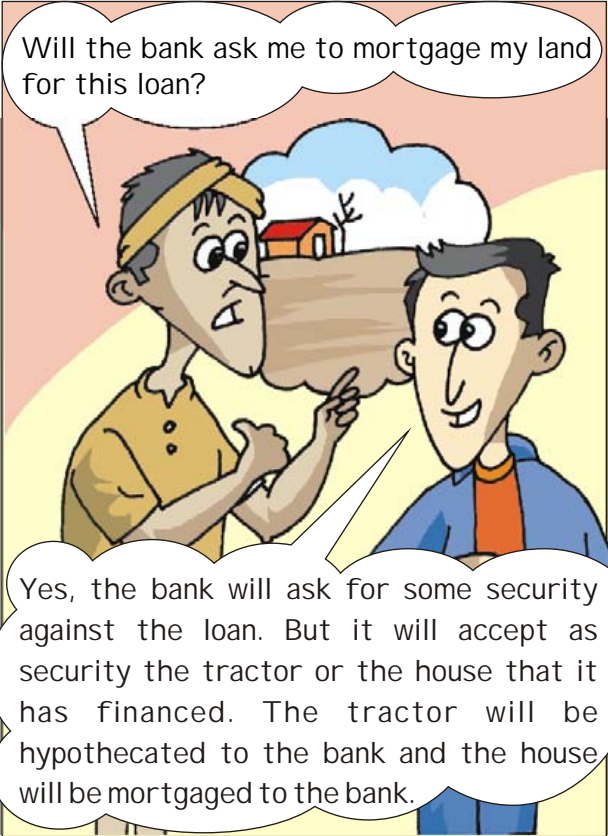
What about loan for a house ?



For taking such loans you will need to produce documents like proof of identity, address and income. When you visit a bank to take a loan, they will give you the details of all the documents that will be required.



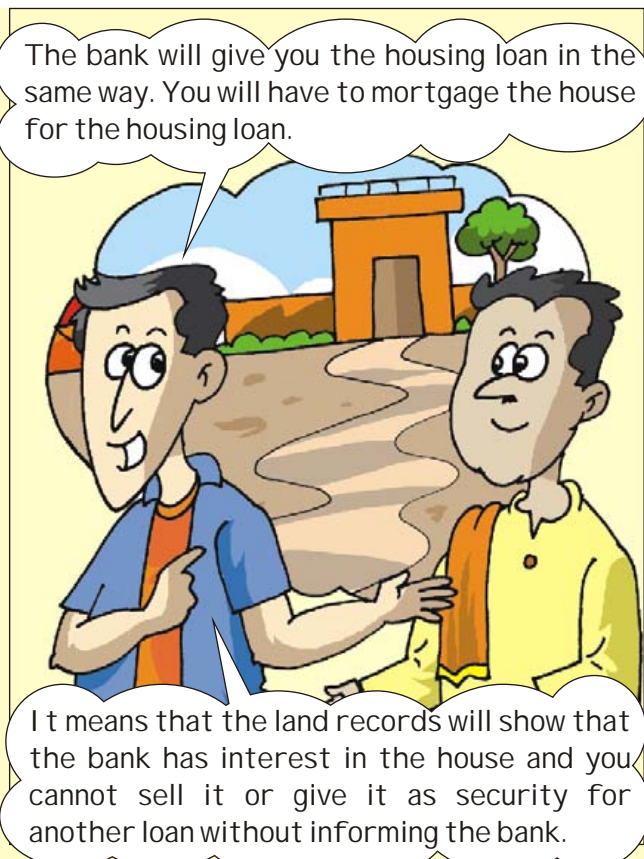
They will also tell you how to apply for the loan. Repayment of loan can be made on a monthly, quarterly or half-yearly basis. The repayment periods may be from one year to nine years depending upon the amount of loan and your repaying capacity.







But why would I sell the tractor when I need it to plough my land? In fact, I would also want some more money for my house.



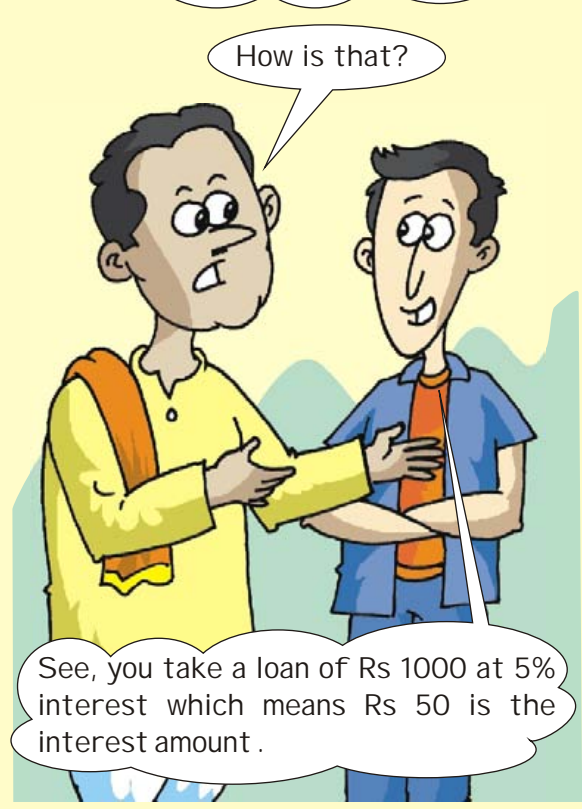
The bank will give you the housing loan in the same way. You will have to mortgage the house for the housing loan.

It means that the land records will show that the bank has interest in the house and you cannot sell it or give it as security for another loan without informing the bank.



The land ownership documents will be held in the custody of the bank till the loan is repaid.

Always remember. Repaying a loan in time is as important as taking the loan. If you do not repay in time you will be charged interest on interest and the loan will become a burden on you.



How is that?

See, you take a loan of Rs 1000 at 5% interest which means Rs 50 is the interest amount.

