



CLIENT EDITION

A FINANCE MARKET GUIDE

Key to Keys

The Smart Buyer's Guide to Property Loans

Everything you need to know before you take a loan to buy a home, office, shop or plot — explained simply, step by step.

Loan types compared

Eligibility explained

Document checklists

Step-by-step process

Charges & FAQs

Kamal Thakkar & Reema Thakkar

Finance Market · Ahmedabad

www.financemarket.co.in

Key to Keys

The Smart Buyer's Guide to Property Loans

By Kamal Thakkar and Reema Thakkar

Published by Kamal Thakkar

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Finance Market is an authorised partner of leading private and nationalised banks.

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WRITTEN BY

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FINANCE MARKET · AHMEDABAD

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Kamal Thakkar is a loan consultant who has spent his career helping families and businesses in Gujarat buy property and grow with the right finance. He founded Finance Market, an authorised partner of leading private and nationalised banks, and leads it together with co-partner Reema Thakkar.

- MBA in Finance (2004); working in the finance industry since 2004
- Over ₹300 crore of loans disbursed every year through Finance Market
- Home loans, loan against property, business loans and working capital, commercial property, project finance, NRI loans and balance transfers



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Reema Thakkar holds an MBA in Finance (2005). She co-leads Finance Market with Kamal Thakkar and works closely with clients at every stage of their loan. She is an alumna of the Goldman Sachs 10,000 Women programme, delivered with IIM Bangalore (NSRCEL), which trains women entrepreneurs to grow their businesses.

Our team

Kamal Thakkar and Reema Thakkar lead a team of more than 12 loan experts — senior managers, team leads, relationship managers and operations staff — who handle each client's file from the first eligibility check to disbursement.

- Hands-on with every stage: eligibility planning, bank selection, legal and technical clearance, and disbursement follow-up
- Trusted by clients — 700+ Google reviews
- Works closely with builders and developers across Ahmedabad and Gandhinagar

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Before you begin

Property has been the most trusted way for Indian families to build wealth — and a home loan lets you start years earlier and own more than your savings alone allow. This guide shows you, in simple language, how to use a loan to buy your first property, and your next one — from planning your budget to the day you get the keys.

Whether you are buying your first home, upgrading to a bigger one or adding an office, shop or plot to your portfolio, this book is for you. Jump to the FAQ if you have a quick question.

IMPORTANT

Interest rates, charges and bank rules change often. Numbers in this guide are examples to help you understand. Always confirm the latest terms with us before deciding.

Why this book

Every day we see families and investors grow from one property to many with the right loan. This guide puts what Kamal Thakkar and Reema Thakkar explain to clients every day into one simple book — so you can buy with confidence, and keep growing. Our aim is to support the growth of the real estate industry and India's growth story — one informed buyer at a time.

One book, three partners in growth

Why we wrote this book. Every home or property bought with a loan does more than give a family an address. It creates wealth for the buyer, business for builders and realtors, jobs for lakhs of workers — and growth for India. This book aims to make the buying decision **simple, confident and well-informed**, so more families buy sooner, buy right and keep growing. A stronger real estate market builds a stronger India.

For home buyers

- Explains loans, eligibility, documents and charges in plain language — no surprises.
- Shows clearly how a loan builds wealth: EMI vs rent, rising property value, and smart SIP and prepayment habits.
- Helps you compare bank offers on total cost, not just the interest rate.
- Gives checklists and planning pages to keep the whole process organised.
- Builds the confidence to buy the first property — and the next one.

For realtors and channel partners

- A ready guide to give clients, answering the questions that usually slow a deal down.
- Buyers come prepared with their budget, eligibility and documents, so site visits turn into bookings faster.
- Fewer deals fall through because of loan, document or margin-money problems.
- Builds trust with clients and brings repeat business — today's buyer is tomorrow's investor.

For builders and developers

- Buyers who understand loans book with confidence and pay on time.
- Smoother disbursements — buyers know the documents, legal and technical checks and stage-wise payments.
- Explains RERA, approvals and stage-wise construction — building trust, faster sales and better cash flow for more projects.

Growing together

When buyers, realtors, developers and lenders grow together, the whole real estate sector grows — supporting about 250 linked industries, millions of jobs and India's growth story.

Every key handed over is a step forward for a family and for the nation.

Why buy property on a loan?

A loan lets you own today what you would otherwise save for 15–20 years to buy. You live in it or earn from it while you pay it off.

Loan increases purchasing power

Example: You have ₹20 lakh saved. Without a loan, you can buy only a ₹20 lakh property. With 80% bank funding, the same ₹20 lakh can become the down payment on a ₹1 crore property.

YOUR MONEY	BANK LOAN	PROPERTY YOU CAN BUY
₹20 lakh	Nil	₹20 lakh
₹20 lakh	₹80 lakh (80%)	₹1 crore

Loan improves lifestyle

- **Own home early** — stability for family, children's schooling, no yearly rent increase or shifting.
- **Better location and size** — a bigger home or a better area than savings alone allow.
- **Rent becomes EMI** — the money you pay builds your own asset instead of the landlord's.
- **Savings stay safe** — you keep an emergency fund instead of emptying your account.
- **Business growth** — an office or shop of your own saves rent and builds credibility.

Property grows, loan reduces

Over the years, property value usually rises while your loan balance falls with every EMI. The gap between the two is your growing wealth (equity).

Property values can also stay flat or fall for some time, so buy for long-term need, not quick profit.

Tax benefits

Home loan principal and interest can give income-tax deductions under the old tax regime, within set limits. Joint loans can let both co-owners claim.

Rules and section numbers change, so confirm with your CA.

Buy or rent?

POINT	RENT	BUY ON LOAN
Monthly cost	Rent, rises every year	EMI, fixed or rate-linked
Ownership	None	Yours after repayment
Stability	Owner can ask you to vacate	Full control
Tax benefit	HRA (if salaried)	Principal + interest deductions
Asset for future	No	Yes — can be used for future loans

The cost of waiting

Many buyers say, "Let me wait a year or two." But while you wait, prices usually keep moving up — and you keep paying rent. For a ₹60 lakh property:

IF YOU WAIT	PRICES RISE 6% A YEAR	PRICES RISE 8% A YEAR
1 year	costs ₹3.60 lakh more	costs ₹4.80 lakh more
2 years	costs ₹7.42 lakh more	costs ₹9.98 lakh more
3 years	costs ₹11.46 lakh more	costs ₹15.58 lakh more

Add the rent you pay while waiting — at ₹15,000 a month, that is another ₹3.6 lakh in 2 years. The best time to start building your own asset is usually as soon as you are ready.

Your home loan as a wealth builder

A home loan is one of the few loans that helps you build wealth: every EMI reduces what you owe, while the property you own can grow in value over the years.

How a loan builds wealth over time

Example: a ₹50 lakh flat bought with ₹10 lakh down payment and a ₹40 lakh loan at 8% for 20 years (EMI about ₹33,500). If the property grows at 6% a year — an assumption, not a promise — your share of it (equity) grows like this:

AFTER	PROPERTY VALUE	LOAN STILL TO PAY	YOUR WEALTH (EQUITY)
Day 1	₹50 lakh	₹40 lakh	₹10 lakh
5 years	₹67 lakh	₹35 lakh	₹32 lakh
10 years	₹90 lakh	₹28 lakh	₹62 lakh
15 years	₹1.2 crore	₹16.5 lakh	₹1.03 crore
20 years	₹1.6 crore	Nil	₹1.6 crore

Your own money was only ₹10 lakh at the start. The loan let you own the full ₹50 lakh asset from day one, so all its growth is yours.

Owning vs renting: EMI is investment, rent is expense

Rent is money that is gone every month. EMI is money you pay mostly to yourself — part of it reduces your loan and becomes your property.

OVER 20 YEARS (EXAMPLE)	RENTING	BUYING ON LOAN
Monthly payment	Rent ₹15,000, rising about 5% a year	EMI about ₹33,500, fixed if rates are steady
Payment in year 20	About ₹38,000 a month	Same EMI — and then it stops
Total paid in 20 years	About ₹60 lakh	About ₹80 lakh EMI + ₹10 lakh down payment
What you own at the end	Nothing	A home worth about ₹1.6 crore
After 20 years	Rent continues for life	No rent, no EMI

A renter can invest the difference between rent and EMI, and in some cities renting is cheaper for a few years. But most families find it hard to invest that difference with discipline every month — an EMI makes saving automatic.

Buyers are getting younger

In the late 1990s, most home buyers in India were 45–55 years old — people near retirement buying with their life savings. Easy home loans, rising incomes and digital processing have changed this. ANAROCK's buyer survey (2019) found that one in five buyers was already 25–35 years old, and recent industry reports put the typical buyer at 32–40, compared with 45–55 earlier.

Buying 10–15 years earlier means the loan is finished well before retirement, and the property has more years to grow in value.

Have the money? You may still be better off with a loan

Many people with savings pay fully in cash. Often it is smarter to keep your investments and take a home loan, because:

- **Your investments may earn more than the loan costs.** Home loans in India currently start at around 7.2–7.5% a year. Long-term equity mutual funds have historically earned about 11–13% a year (past returns are not guaranteed).

- **Tax benefit** on principal and interest (old tax regime) lowers the real cost of the loan further.
- **Cash stays available** for emergencies, business or education, instead of being locked in bricks.
- **Bank checks protect you.** The bank's legal and technical check of the property is a free second opinion on your purchase.

Example: you have ₹40 lakh in mutual funds and buy a ₹50 lakh flat.

CHOICE	WHAT YOU DO	VALUE AFTER 20 YEARS (AT 12% RETURN)
Pay cash	Sell the funds, then invest about ₹33,500 a month (the EMI you saved)	About ₹3.3 crore
Take a loan	Keep the ₹40 lakh invested and pay the EMI from income	About ₹3.9 crore

In this example, keeping the investment and taking the loan leaves you about ₹55 lakh richer, before the tax benefit.

From one property to many

Your first property is a beginning, not the finish line. As your loan reduces and the property grows in value, you build equity — and that equity, plus your rising income, can help you buy the next one.

- **Use your equity.** In the example above, after 5 years you already own about ₹32 lakh of your home. A top-up loan or loan against property can fund the down payment on your next property.
- **Let rent pay the EMI.** A second home, office or shop can earn rent. Banks count part of this rental income when they check your eligibility, and the rent helps pay the new EMI.
- **Grow with your income.** Salaries and business income usually rise over the years, while your EMI stays about the same — so your capacity to borrow grows every year.

- **Buy as a family.** Adding an earning spouse, parent or child as co-applicant increases eligibility, and women get lower rates at many banks, and in Gujarat no registration fee is charged when the property is only in a woman's name.

Many of our clients started with one flat and now own homes, shops and offices that earn rent and grow in value — built step by step with home loans.

BORROW WISELY

A loan builds wealth only when the EMI is comfortable. Keep all EMIs within about 40–50% of your income, keep an emergency fund of 6 months, and do not borrow to invest in risky products. Returns on investments and property are never guaranteed — these examples are for understanding only.

From one loan to lasting wealth — three buyer journeys

These are illustrative stories based on typical buyer journeys. Names, places and figures are examples, not actual clients. EMI, interest and loan figures use the standard EMI formula at a fixed rate; property values assume 6–6.5% yearly growth and rents rise 5% a year. Property prices do not rise every year, and past growth does not promise future growth.

1. AMIT AND NEHA — A ₹80 LAKH FAMILY HOME (2016 → 2026)

Amit (IT manager) and Neha (doctor) were paying ₹20,000 a month as rent for a 3BHK in South Bopal. In 2016 they bought their own 3BHK for **₹80 lakh** — ₹16 lakh from savings and a **₹64 lakh home loan** at about 8.5% for 20 years.

THEIR 10-YEAR SCORECARD	AMOUNT
Monthly EMI	₹55,541
Interest paid in 10 years	about ₹47.4 lakh
Loan repaid in 10 years	about ₹19.2 lakh
Loan left today	about ₹44.8 lakh

THEIR 10-YEAR SCORECARD	AMOUNT
Home value today (6% yearly growth)	about ₹1.43 crore
Rise in value	about ₹63.3 lakh
Rent saved in 10 years (rent rising 5% a year)	about ₹30.2 lakh
Value gained + rent saved – interest paid	about +₹46 lakh

They put in ₹16 lakh of their own money. Today their stake in the home is **about ₹98.5 lakh**.

"We worried about the interest. But the rent we saved and the rise in value together covered all of it – and we own a home worth ₹1.4 crore."

2. RAKESH — A ₹1.25 CRORE OFFICE THAT PAYS FOR ITSELF (2016 → 2026)

Rakesh, a chartered accountant, bought an office on SG Highway in 2016 for **₹1.25 crore** – ₹35 lakh of his own and a **₹90 lakh loan** at about 9.25% for 15 years. He rented it out from day one at ₹55,000 a month.

HIS 10-YEAR SCORECARD	AMOUNT
Monthly EMI	₹92,627
Interest paid in 10 years	about ₹65.5 lakh
Loan repaid in 10 years	about ₹45.6 lakh
Loan left today	about ₹44.4 lakh
Office value today (6.5% yearly growth)	about ₹2.35 crore
Rise in value	about ₹1.10 crore
Rent earned in 10 years (rent rising 5% a year)	about ₹83 lakh
Rent today	about ₹85,000 a month — almost the full EMI
Value gained + rent earned – interest paid	about +₹1.27 crore

He put in ₹35 lakh. His stake today is **about ₹1.90 crore** — and in 5 years the rent becomes pure income.

"In the first years I paid part of the EMI from my practice. Now the tenant pays almost all of it."

3. HIREN AND FAMILY — A ₹2 CRORE VILLA (2016 → 2026)

Hiren runs a manufacturing unit. His family of five was paying ₹45,000 a month as rent for a bungalow. In 2016 he bought a villa in Shela for **₹2 crore** — ₹50 lakh of his own and a **₹1.5 crore loan** at about 8.5% for 20 years.

HIS 10-YEAR SCORECARD	AMOUNT
Monthly EMI	₹1,30,173
Interest paid in 10 years	about ₹1.11 crore
Loan repaid in 10 years	about ₹45 lakh
Loan left today	about ₹1.05 crore
Villa value today (6% yearly growth)	about ₹3.58 crore
Rise in value	about ₹1.58 crore
Rent saved in 10 years (rent rising 5% a year)	about ₹67.9 lakh
Value gained + rent saved – interest paid	about +₹1.15 crore

He put in ₹50 lakh. His family's stake in the villa today is **about ₹2.53 crore**.

"₹1.1 crore of interest sounded like a lot. But the villa grew by ₹1.58 crore and we saved ₹68 lakh of rent. The loan built our biggest asset."

Your home and India's growth story

When you buy a property, you are not only building your own wealth. You are taking part in one of the biggest growth stories in the world — India's. Every home bought creates work, demand and taxes that help the whole country grow. And as the country grows, the value of what you own grows with it.

Real estate powers India's economy

WHAT	TODAY	BY 2047 (PROJECTED)
Real estate's share of India's economic output (GDP)	about 7.3%	about 15.5%
Size of the real estate market	about US\$477 billion	about US\$5.8 trillion
Share of India's total employment	about 18%	—
People living in cities	—	about 51% of 1.7 billion
New homes needed in cities	—	about 230 million

Source: Knight Frank and NAREDCO, *India Real Estate Vision 2047* (2023). Figures for 2047 are projections.

One purchase, many livelihoods

Real estate is linked to about 250 other industries. When you buy a home, you support:

- **Materials** — cement, steel, bricks, sand, tiles, paint, glass, pipes and wiring
- **Work** — labourers, masons, carpenters, plumbers, electricians, engineers and architects

- **Home goods** — furniture, kitchens, appliances, lighting and décor
- **Services** — banks, insurance, legal, valuation, registration, interiors and movers
- **The nation** — stamp duty and taxes that help build roads, metros and public services

How the boom helps everyone

- **Buyers** — You become an owner sooner. As cities grow and new roads, metros and offices come up, property values rise, and many buyers move from one property to two, three or more.
- **Builders and developers** — Strong demand and easy home-loan finance for buyers mean faster bookings, better cash flow and more new projects. RERA has built buyer trust and made the market more professional.
- **Realtors and channel partners** — More buyers, more deals and more repeat clients. Every new owner may later come back to buy again, sell, rent or upgrade.
- **Banks and lenders** — Home loans are among the safest loans, so banks are keen to lend — good news for buyers looking for the best rates.
- **The country** — More jobs, more taxes and better infrastructure, which in turn makes every property more valuable.

The cycle of growth

01 You buy

A family books a home with a loan from a bank.

02 Industry grows

Builders start new projects; materials, labour and services are in demand.

03 Jobs and incomes rise

Lakhs of people earn more — and many of them become home buyers too.

04 Cities improve

Taxes and growth bring new roads, metros, offices and schools.

05 Values go up

Better cities mean higher property values — and more wealth for every owner.

Gujarat: a front-row seat

Gujarat is one of India's fastest-moving states. Ahmedabad's metro, GIFT City in Gandhinagar, the Mumbai–Ahmedabad bullet train project, ring roads and new industrial corridors are changing how and where people live and work. Buying in a growing city lets you share in that growth.

Before you decide — a checklist

A little preparation makes buying fast and stress-free. Know your budget, your eligibility and the property papers early — then buy with full confidence.

Plan your budget

- **Keep EMI within 40–50% of take-home income** (all EMIs together), so household needs and savings continue.
- **Own contribution:** banks usually fund 75–90% of the property value. You pay the rest plus stamp duty, registration, and interiors.
- **Keep a buffer:** at least 6 months of EMI and expenses as an emergency fund.
- **Know your eligibility early** — a free check with us tells you exactly how much property you can buy, so you can choose with confidence.

Total cost of buying

Example for a ₹50 lakh flat (approximate, for understanding only):

ITEM	APPROX. AMOUNT
Down payment (20%)	₹10,00,000
Stamp duty + registration	₹2,50,000 – ₹3,00,000
GST on under-construction flat	Applicable as per law
Maintenance deposit, society, legal	Varies by project
Loan processing + valuation	Varies by bank
Interiors, furniture, shifting	Your choice

Check the property

- ☐ Clear title — seller is the legal owner; past sale deeds (title chain) available
- ☐ RERA registration for new projects (check on the GujRERA website)
- ☐ Approved building plan and BU (Building Use) permission / occupancy
- ☐ NA (non-agricultural) permission for the land
- ☐ No pending loan, dispute or court case on the property
- ☐ Society / builder NOC for loan and transfer
- ☐ Property tax and electricity bills paid up to date
- ☐ Project is approved by banks (ask us — this speeds up the loan)

Compare loan offers correctly

Do not look only at the interest rate. Compare the full picture.

COMPARE	WHY IT MATTERS
Interest rate + type (floating/fixed)	Decides EMI over the years
Loan amount offered	Affects your own contribution
Tenure	Longer = lower EMI but more total interest
Processing and other charges	One-time cost
Prepayment rules	Freedom to close early
Service and speed	Timely disbursement to builder/seller

Floating or fixed rate?

Floating rates move with the bank's benchmark (linked to RBI's repo rate). EMI or tenure can go up or down. Most home loans are floating, and there is no foreclosure penalty on them for individuals.

Fixed rates stay the same for a set period but are usually higher, and may carry prepayment charges.

Under-construction or ready-to-move?

POINT	UNDER-CONSTRUCTION	READY-TO-MOVE
Price	Usually lower	Usually higher
GST	5% (1% for affordable housing)	No GST, if completion / BU certificate is issued
Loan payment	Bank pays in stages; you pay pre-EMI (interest only) or full EMI	Full loan at once; full EMI starts
Possession	After completion — check RERA date	Immediate
Risk	Possible delay	You see exactly what you buy
Rent	You may pay rent and pre-EMI together	Rent saved from day one

Tip: for under-construction property, choose a RERA-registered project from a builder with a good delivery record.

Women and joint ownership — extra benefits

- **No registration fee in Gujarat** (1% of the property value saved) when the property is registered only in the name of a woman or women. Stamp duty of 4.9% still applies. If a man is also a co-buyer, the 1% fee is payable.
- **Lower rate at some banks** — many offer a small concession for women borrowers.
- **Higher eligibility** — the incomes of co-applicants are added.
- **Double tax benefit** — each co-owner who is also a co-borrower can claim the tax deductions separately (see the tax chapter).

Types of loans

Choose the loan by purpose: a secured property loan is cheapest and longest; personal and gold loans are fastest but costlier and shorter.

Quick comparison

Typical ranges — actual terms depend on bank, profile and property.

LOAN	USED FOR	FUNDING (APPROX.)	MAX TENURE (APPROX.)	COST
Home loan	Buy flat, bungalow, row house	75–90% of value	Up to 30 yrs	Lowest
Plot loan	Buy residential plot	60–75%	Up to 15–20 yrs	Low
Plot + construction	Buy plot and build home	75–80%	Up to 30 yrs	Low
Construction / renovation	Build or repair on own plot	Up to 80–90% of estimate	Up to 30 yrs	Low
Commercial property	Buy office, shop, showroom	60–75%	Up to 15–20 yrs	Medium
Loan against property (LAP)	Business, education, marriage, any need	50–70% of value	Up to 15–20 yrs	Medium
Top-up loan	Extra money on running home loan	Within value limit	Up to remaining tenure	Low–medium
Balance transfer (BT)	Move loan to lower rate bank	Outstanding + top-up	As per new bank	Saves interest

LOAN	USED FOR	FUNDING (APPROX.)	MAX TENURE (APPROX.)	COST
Personal loan	Short-term need, margin gap	Based on income	1–5 yrs (some up to 7)	High
Gold loan	Quick cash against jewellery	Up to 75–85% of gold value	Months to 3 yrs	Medium
Loan against mutual funds	Cash without selling funds	~50% equity, ~75–80% debt funds	Overdraft, renewable	Medium
Loan against shares	Cash without selling shares	~50% of approved shares	Overdraft, renewable	Medium
Loan against FD	Cash without breaking FD	85–95% of FD	Up to FD maturity	Low (FD rate + 1–2%)

Each loan in simple words

Home loan — For buying a ready or under-construction home. For under-construction, money is released in stages as building progresses (you pay only interest, called pre-EMI, until full disbursement, or choose full EMI).

Plot loan — Only for residential plots in approved schemes, not agricultural land. Many banks expect construction within a set time.

Construction loan — For building on your own NA plot. Needs approved plan and architect's cost estimate; money is released stage-wise.

Office / shop loan — For buying commercial property for business use or rental income. Funding is lower and rate slightly higher than home loans.

Loan against property (LAP) — Mortgage a property you already own (home, office, shop, factory) and get money for business, education, marriage or debt consolidation.

Top-up loan — Extra amount on your existing home loan at a rate close to the home loan rate, if your repayment record is good.

Balance transfer — Shift your loan to another bank offering a lower rate. Even 0.5% lower can save a large amount over a long tenure.

Personal loan — No security needed; quick approval on income and credit score. Costly — use only for short gaps, not as the main property funding.

Gold loan — Pledge gold jewellery; money in hours. Repay on time to avoid auction of gold.

Loan against mutual funds / shares — Your investments keep growing while you use the money. If markets fall sharply, the bank may ask you to add more units or repay part.

Loan against FD — Cheapest quick loan; FD keeps earning interest.

How a bank thinks

A bank asks two questions: Can this person repay (income and credit history)? And is the property good security (legal and value)? Both must be "yes".

What the bank checks about you

FACTOR	WHAT THE BANK LOOKS FOR
Credit score (CIBIL)	750+ is good; late EMIs, card dues, settled loans reduce chances
Income	Stable, provable income — salary slips or ITR
Existing EMIs (FOIR)	All EMIs incl. new loan usually within 50–65% of income
Job / business stability	Salaried: 2+ years experience; self-employed: 2–3 years business
Age	Loan should end before retirement or around 60–70
Banking behaviour	No cheque bounces, healthy average balance
Co-applicant	Earning spouse/parent adds income and eligibility

What the bank checks about the property

- **Legal check:** a bank lawyer verifies title, chain documents and approvals.
- **Technical / valuation check:** a bank engineer visits and fixes the market value. The loan is based on this value or the agreement value, whichever is lower.
- **Loan-to-Value (LTV) limit (RBI home loan norms):** up to ₹30 lakh loan — max 90% of value; ₹30–75 lakh — max 80%; above ₹75 lakh — max 75%.

How eligibility is calculated — an example

Salaried person, take-home ₹1,00,000 per month, existing car EMI ₹10,000. Bank allows total EMIs up to 50% of income (FOIR).

1. 50% of ₹1,00,000 = ₹50,000 total EMI allowed
2. Minus existing EMI ₹10,000 = ₹40,000 available for new loan
3. At about 8.5% for 20 years, EMI is about ₹868 per ₹1 lakh
4. Eligible loan $\approx ₹40,000 \div ₹868 \times 1 \text{ lakh} \approx \text{₹46 lakh}$

Adding an earning co-applicant or closing the car loan first can raise eligibility. A longer tenure also raises it.

Salaried vs self-employed

- **Salaried:** income from salary slips, Form 16 and bank credits.
- **Self-employed / business:** income from the last 2–3 years' ITR, profit & loss account and balance sheet. Banks read net profit plus some add-backs (like depreciation). Showing very low income in ITR to save tax lowers your loan eligibility.

Common reasons for rejection

- Low credit score or recent defaults
- Too many existing EMIs or loan enquiries
- Income not provable or unstable
- Property legal issues — missing approvals, unclear title
- Valuation lower than deal price
- Mismatch in documents (name, address, dates)

How much loan can I get?

A quick guide for a salaried buyer with no other EMIs, at 7.5% for 20 years. Banks usually allow 50% to 60% of take-home income to go towards EMIs.

TAKE-HOME INCOME PER MONTH	EMI THE BANK MAY ALLOW	APPROXIMATE LOAN
₹30,000	₹15,000	about ₹18.6 lakh
₹50,000	₹25,000	about ₹31 lakh
₹75,000	₹41,250	about ₹51 lakh
₹1,00,000	₹60,000	about ₹74 lakh
₹2,00,000	₹1,20,000	about ₹1.49 crore

Existing EMIs reduce this amount. Adding an earning co-applicant or choosing a longer tenure increases it. Exact eligibility depends on the bank, your age, credit score and the property.

When income proof is not enough

Many self-employed buyers show lower income in their ITR, or have income that is hard to prove. That does not always mean a smaller loan. Many banks and lenders can assess eligibility on other parameters:

PARAMETER	HOW IT HELPS
Sales turnover	Eligibility worked out on business turnover, not only on net profit
GST returns	Turnover shown in GST returns used as proof of business size
Average bank balance and transactions	Regular credits and a healthy average balance show repaying capacity
Expected rent from the property	Future rent on a shop, office or let-out home added to income
Property valuation	A good-value property with strong legal title supports a higher loan
Current asset base and net worth	Other properties, investments and business assets show financial strength

TIP

If your income proof alone does not give the loan amount you need, ask for these options. The rate and conditions may differ from a regular home loan, so compare the total cost.

Your credit score (CIBIL)

Your credit score is a number from 300 to 900 that shows how well you have repaid loans and cards. It is often the first thing a bank checks.

SCORE	WHAT IT USUALLY MEANS
750 and above	Easy approval and the best rates
700 – 749	Approval likely; rate may be slightly higher
650 – 699	Possible with some banks; extra checks
Below 650	Difficult — improve the score first

You can get one free full credit report every year from each credit bureau — CIBIL, Experian, Equifax and CRIF High Mark.

HOW TO IMPROVE YOUR SCORE

- Pay every EMI and card bill on time — even one delay hurts.
- Use less than 30% of your credit-card limit.
- Do not apply for many loans or cards at the same time.
- Keep old cards open; a long, clean history helps.
- Close loans fully — avoid "settled" status.
- Check your report and get any error corrected.

Documents required

Keep documents ready in advance — complete, clear copies are the single biggest factor in a fast sanction. The exact list varies slightly by bank.

GOOD TO KNOW

This list is general. Not every document is needed in every case. If a document is not available, that is fine — your banker or adviser can suggest an alternative document.

Soft copies are fine. Most banks now accept online / scanned (soft) copies to start the loan process.

Digital consent. Many lenders can, with your permission, fetch your income-tax, bank-statement and GST data directly online and work out your eligibility — fewer papers and a faster decision.

For every applicant and co-applicant

- | | |
|---|--|
| ☐ PAN card | ☐ Bank statement — last 12 months |
| ☐ Aadhaar card | ☐ Existing loan sanction letters and statements, if any |
| ☐ Address proof (if different) | |
| ☐ 1 passport-size photo | |

Salaried

- | | |
|---|--|
| ☐ Salary slips — last 3 months | ☐ Salary account statement — last 12 months |
| ☐ Form 16 — last 2 years | ☐ Appointment letter / employee ID (if asked) |

Self-employed / business

- ☐ ITR with computation – last 2–3 years
- ☐ Balance sheet and P&L (CA certified) – last 2–3 years
- ☐ Business proof – GST registration, Udyam, shop licence
- ☐ Current account statement – last 12 months
- ☐ GST returns (if applicable)
- ☐ Partnership deed / company documents (MOA, AOA) if applicable

NRI applicants

NRIs can take a home loan in India for a home, plot or commercial property. Along with the property documents, keep these ready.

EVERY NRI APPLICANT

- ☐ Valid passport with visa / work permit / residence permit (OCI or PIO card, if applicable)
- ☐ Overseas address proof
- ☐ NRE / NRO account statement – last 12 months
- ☐ Overseas bank account statement – last 12 months
- ☐ Credit report from the country of residence, where available
- ☐ General Power of Attorney (GPA) in favour of a relative in India – attested at the Indian Embassy / Consulate, or notarised and apostilled
- ☐ PAN card and Aadhaar card (if available)
- ☐ 1 passport-size photo; KYC of resident co-applicant, if any

NRI SALARIED

- ☐ Employment contract / appointment letter (English translation if in another language)
- ☐ Salary slips – last 3 to 6 months
- ☐ Salary certificate from employer
- ☐ Overseas bank statement showing salary credit – last 12 months

- ☐ Labour card / work ID (Gulf countries)
- ☐ Overseas tax return (W-2, P60 or equivalent), where applicable – last 1 to 2 years

NRI SELF-EMPLOYED / BUSINESS

- ☐ Overseas business registration / trade licence
- ☐ Audited financials (balance sheet and P&L) – last 2 to 3 years
- ☐ Overseas income tax returns, where applicable – last 2 to 3 years
- ☐ Business bank account statement – last 12 months
- ☐ Proof that the business has run for at least 3 years

NRI TIP

The loan is disbursed in India and EMIs are paid from your NRE / NRO account. All payments for the property must go through Indian banking channels.

Property documents

NEW PROPERTY FROM BUILDER

- | | |
|---|---|
| ☐ Allotment letter / booking receipt | ☐ Approved plan, NA order, title search report |
| ☐ Agreement to sell (banakhat) | ☐ Payment receipts to builder |
| ☐ RERA certificate | ☐ Builder NOC |

RESALE PROPERTY

- | | |
|---|---|
| ☐ Seller's registered sale deed and full chain of past deeds | ☐ Society share certificate and NOC |
| ☐ Index copy / 7/12, Property card | ☐ Latest property tax and electricity bill |
| ☐ Approved plan and BU permission | ☐ Seller's existing loan statement, if property is mortgaged |

CONSTRUCTION / RENOVATION

- ☐ Plot ownership documents
- ☐ Approved construction plan
- ☐ Architect / engineer cost estimate

The loan process, stage by stage

A home loan moves through 10 stages, from the first eligibility check to the cheque in the seller's hand. With complete documents and a clear property, it usually takes 7–15 working days.

01 Eligibility check

Share income, existing EMIs and credit details. We tell you how much loan you can get and from which banks.

02 Choose property

With your eligibility known, pick the property you love and book with confidence. Share the papers with us for a quick pre-check.

03 Choose bank

We compare offers on rate, amount, charges and speed and suggest the best fit.

04 Application and login

Sign the application form; documents and processing fee are submitted to the bank.

05 Verification

Bank checks credit score, verifies residence, office and income documents.

06 Sanction letter

Bank approves the loan amount, rate, tenure and conditions in writing. Read it carefully.

07 Legal and technical check

Bank lawyer checks title; bank engineer values the property.

08 Own contribution paid

Pay your share (margin) to the seller/builder before disbursement and keep receipts.

09 Agreement, registration and mortgage

Sign loan agreement; sale deed is registered; original documents are deposited with the bank.

10 Disbursement and EMI start

Bank pays the seller/builder directly. EMI starts from the next month via auto-debit (NACH).

After the loan

- Pay every EMI on time — it builds your credit score for future loans.
- Keep a copy of all documents deposited with the bank (list of documents).
- Prepay when you have surplus — it reduces interest a lot.
- Review your rate every 1–2 years; consider balance transfer if a much better rate is available.
- On closure, collect all original documents and the NOC, and make sure the bank removes its charge from the records.

Charges to know

Besides interest, a loan has one-time charges at the start and some charges only in special cases. Ask for the full list before you apply.

CHARGE	WHAT IT IS	WHEN
Processing fee	Bank's fee to process the loan, usually a small % of the loan + GST	At login or sanction
Legal and valuation fee	Lawyer and engineer checks	Before disbursement
Stamp duty on loan papers	Government charge on mortgage / agreement	At agreement
CERSAI / mortgage registration	Records the bank's charge on the property	At disbursement
Insurance (optional)	Life and property cover linked to loan	Usually at disbursement
Late payment / bounce charge	If EMI is missed	Only if delayed
Prepayment / foreclosure	Floating-rate loans to individuals: nil. Fixed-rate or business loans: may apply	When closing early
Conversion / switch fee	To move to a lower rate within the same bank	When you request

Property purchase costs (separate from the loan)

In Gujarat, stamp duty is 4.9% of the property value (3.5% basic + 1.4% surcharge) and the registration fee is 1%. No registration fee is charged when the property is registered only in the name of a woman or women; stamp duty is the same for everyone. Confirm current rates with the Sub-Registrar office or your advocate.

Jantri rate (Gujarat)

Jantri is the government's minimum value for property in each area. Stamp duty is charged on the agreement value or the jantri value, whichever is higher. The Gujarat government revises jantri rates from time to time, so check the current rate for your area before you finalise the deal.

EMI ready reckoner

Use these tables to see your monthly EMI and how much you pay in total – principal plus interest – over a 20-year loan. Rates run from 7% to 8%, in steps of 0.25% (25 basis points).

EMI for every ₹1 lakh

RATE	10 YRS	15 YRS	20 YRS	25 YRS	30 YRS
7.00%	₹1,161	₹899	₹775	₹707	₹665
7.25%	₹1,174	₹913	₹790	₹723	₹682
7.50%	₹1,187	₹927	₹806	₹739	₹699
7.75%	₹1,200	₹941	₹821	₹755	₹716
8.00%	₹1,213	₹956	₹836	₹772	₹734

Multiply by your loan in lakh. Example: ₹40 lakh at 7.5% for 20 years = $40 \times ₹806 \approx ₹32,240$ a month.

How EMI is calculated

EMI (equated monthly instalment) is the same amount every month. Each EMI has two parts: interest on the loan still outstanding, and the rest goes towards repaying the principal. As the loan reduces, the interest part falls and the principal part rises.

$$\text{EMI} = P \times r \times (1 + r)^n \div [(1 + r)^n - 1]$$

P = loan amount · r = monthly rate (yearly rate ÷ 12 ÷ 100) · n = number of monthly EMIs

EXAMPLE: ₹1 LAKH AT 7.5% FOR 20 YEARS

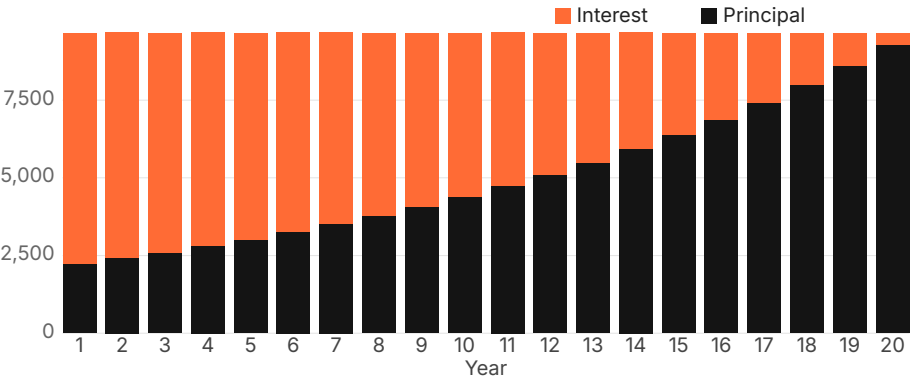
- $P = ₹1,00,000$; $r = 7.5 \div 12 \div 100 = 0.00625$; $n = 20 \times 12 = 240$
- $(1 + 0.00625)^{240} = 4.4608$
- $EMI = 1,00,000 \times 0.00625 \times 4.4608 \div (4.4608 - 1) = ₹805.59$ (about ₹806)
- Total paid = $₹805.59 \times 240 = ₹1,93,342$ — principal ₹1,00,000 + interest ₹93,342

MONTHLY CALCULATION — FIRST YEAR

Month 1: interest = $₹1,00,000 \times 0.00625 = ₹625.00$. Principal repaid = $₹805.59 - ₹625.00 = ₹180.59$. Loan left = $₹99,819.41$. Month 2 starts on this smaller balance, so interest is a little lower and principal a little higher — and so on every month.

MONTH	EMI	INTEREST	PRINCIPAL	LOAN LEFT
1	₹805.59	₹625.00	₹180.59	₹99,819.41
2	₹805.59	₹623.87	₹181.72	₹99,637.68
3	₹805.59	₹622.74	₹182.86	₹99,454.83
4	₹805.59	₹621.59	₹184.00	₹99,270.83
5	₹805.59	₹620.44	₹185.15	₹99,085.68
6	₹805.59	₹619.29	₹186.31	₹98,899.37
7	₹805.59	₹618.12	₹187.47	₹98,711.90
8	₹805.59	₹616.95	₹188.64	₹98,523.25
9	₹805.59	₹615.77	₹189.82	₹98,333.43
10	₹805.59	₹614.58	₹191.01	₹98,142.42
11	₹805.59	₹613.39	₹192.20	₹97,950.22
12	₹805.59	₹612.19	₹193.40	₹97,756.81

YEARLY CALCULATION — FULL 20 YEARS



YEAR	EMIS PAID	INTEREST	PRINCIPAL	LOAN LEFT
1	₹9,667	₹7,424	₹2,243	₹97,757
2	₹9,667	₹7,250	₹2,417	₹95,339
3	₹9,667	₹7,062	₹2,605	₹92,734
4	₹9,667	₹6,860	₹2,807	₹89,927
5	₹9,667	₹6,642	₹3,025	₹86,902
6	₹9,667	₹6,407	₹3,260	₹83,642
7	₹9,667	₹6,154	₹3,513	₹80,129
8	₹9,667	₹5,881	₹3,786	₹76,343
9	₹9,667	₹5,587	₹4,080	₹72,263
10	₹9,667	₹5,271	₹4,396	₹67,867
11	₹9,667	₹4,929	₹4,738	₹63,129
12	₹9,667	₹4,562	₹5,106	₹58,024
13	₹9,667	₹4,165	₹5,502	₹52,522
14	₹9,667	₹3,738	₹5,929	₹46,593
15	₹9,667	₹3,278	₹6,389	₹40,203
16	₹9,667	₹2,782	₹6,885	₹33,318

YEAR	EMIS PAID	INTEREST	PRINCIPAL	LOAN LEFT
17	₹9,667	₹2,247	₹7,420	₹25,898
18	₹9,667	₹1,671	₹7,996	₹17,902
19	₹9,667	₹1,050	₹8,617	₹9,286
20	₹9,667	₹382	₹9,286	₹0
Total	₹1,93,342	₹93,342	₹1,00,000	—

- In year 1, about 77% of what you pay is interest.
- From year 12, the principal part becomes bigger than the interest part.
- In the last year, about 96% of what you pay goes to principal.
- The same pattern applies to any loan amount: multiply these figures by your loan in lakh.

Loan of ₹1 lakh — 20 years

RATE	MONTHLY EMI	PRINCIPAL	TOTAL INTEREST	TOTAL PAYABLE
7.00%	₹775	₹1,00,000	₹86,072	₹1,86,072
7.25%	₹790	₹1,00,000	₹89,690	₹1,89,690
7.50%	₹806	₹1,00,000	₹93,342	₹1,93,342
7.75%	₹821	₹1,00,000	₹97,028	₹1,97,028
8.00%	₹836	₹1,00,000	₹1,00,746	₹2,00,746

Loan of ₹25 lakh — 20 years

RATE	MONTHLY EMI	PRINCIPAL	TOTAL INTEREST	TOTAL PAYABLE
7.00%	₹19,382	₹25,00,000	₹21,51,794	₹46,51,794
7.25%	₹19,759	₹25,00,000	₹22,42,256	₹47,42,256
7.50%	₹20,140	₹25,00,000	₹23,33,559	₹48,33,559
7.75%	₹20,524	₹25,00,000	₹24,25,691	₹49,25,691

RATE	MONTHLY EMI	PRINCIPAL	TOTAL INTEREST	TOTAL PAYABLE
8.00%	₹20,911	₹25,00,000	₹25,18,640	₹50,18,640

Loan of ₹50 lakh — 20 years

RATE	MONTHLY EMI	PRINCIPAL	TOTAL INTEREST	TOTAL PAYABLE
7.00%	₹38,765	₹50,00,000	₹43,03,587	₹93,03,587
7.25%	₹39,519	₹50,00,000	₹44,84,512	₹94,84,512
7.50%	₹40,280	₹50,00,000	₹46,67,118	₹96,67,118
7.75%	₹41,047	₹50,00,000	₹48,51,383	₹98,51,383
8.00%	₹41,822	₹50,00,000	₹50,37,281	₹1,00,37,281

Loan of ₹1 crore — 20 years

RATE	MONTHLY EMI	PRINCIPAL	TOTAL INTEREST	TOTAL PAYABLE
7.00%	₹77,530	₹1,00,00,000	₹86,07,174	₹1,86,07,174
7.25%	₹79,038	₹1,00,00,000	₹89,69,024	₹1,89,69,024
7.50%	₹80,559	₹1,00,00,000	₹93,34,237	₹1,93,34,237
7.75%	₹82,095	₹1,00,00,000	₹97,02,766	₹1,97,02,766
8.00%	₹83,644	₹1,00,00,000	₹1,00,74,562	₹2,00,74,562

What the numbers tell you

- **Total interest is about 86% to 101% of the loan** at 7% to 8% over 20 years. In total you repay roughly 1.9 to 2 times what you borrow.
- **Every 0.25% counts.** On ₹50 lakh for 20 years, 7.25% instead of 7% costs about ₹1.81 lakh more in total; 8% instead of 7% costs about ₹7.34 lakh more. The EMI rises only about ₹750 a month per 0.25% — small each month, big over the years.
- **Early EMIs are mostly interest.** Here is how a ₹50 lakh loan at 7.5% for 20 years (EMI ₹40,280) is repaid:

YEAR	INTEREST PAID	PRINCIPAL REPAID	LOAN LEFT
1	₹3,71,197	₹1,12,159	₹48,87,841
5	₹3,32,098	₹1,51,258	₹43,45,105
10	₹2,63,534	₹2,19,822	₹33,93,350
15	₹1,63,889	₹3,19,467	₹20,10,169
20	₹19,077	₹4,64,279	₹0

- **One extra EMI a year makes a big difference.** On the same ₹50 lakh loan, paying one extra EMI every year closes the loan in about 17 years instead of 20 and saves about ₹8 lakh of interest.

Get your interest back with a small SIP

Here is a simple habit that makes a home loan much lighter: every month, along with your EMI, start a mutual fund SIP of about **10% of your EMI** and keep it running for the full loan tenure.

Example: ₹50 lakh loan at 7.5% for 20 years. EMI ₹40,280; total interest ₹46.67 lakh. SIP of 10% of EMI = ₹4,028 a month. You invest about ₹9.67 lakh in 20 years.

IF THE SIP EARNS	SIP VALUE AFTER 20 YEARS	SHARE OF YOUR INTEREST RECOVERED
10% a year	₹30.84 lakh	about 66%
12% a year	₹40.25 lakh	about 86%
14% a year	₹53.02 lakh	about 114% — all of it, and more

Because both the SIP and the interest grow with the loan size, these percentages are the same for a ₹25 lakh, ₹50 lakh or ₹1 crore loan.

LOAN RATE	INTEREST RECOVERED BY A 10% SIP AT 10% / 12% / 14% RETURNS	SIP NEEDED TO RECOVER 100% AT 12% RETURNS
7.00%	69% / 90% / 119%	11.1% of EMI

LOAN RATE	INTEREST RECOVERED BY A 10% SIP AT 10% / 12% / 14% RETURNS	SIP NEEDED TO RECOVER 100% AT 12% RETURNS
7.25%	67% / 88% / 116%	11.4% of EMI
7.50%	66% / 86% / 114%	11.6% of EMI
7.75%	65% / 85% / 111%	11.8% of EMI
8.00%	64% / 83% / 109%	12.1% of EMI

In short: a SIP of 10% of your EMI can win back most of your interest, and about 12% of your EMI can win back all of it at 12% returns — while you still own the property.

CONDITIONS

This works only if you stay disciplined: start the SIP with the first EMI, never stop it midway, and stay invested for the full tenure. Mutual fund investments are subject to market risks; returns are not guaranteed and past returns do not promise future returns. Choose funds with your financial advisor.

Let property growth pay your interest

The second, bigger answer to "won't I pay too much interest?" is the property itself. You pay interest on the loan, but the growth comes on the full value of the property.

Example: property worth ₹62.5 lakh, loan ₹50 lakh (80%) at 7.5% for 20 years. Total interest ₹46.67 lakh.

IF PROPERTY VALUE GROWS	VALUE AFTER 20 YEARS	GROWTH IN VALUE	COMPARED WITH ₹46.67 LAKH INTEREST
3% a year	₹1.13 crore	₹50.38 lakh	covers all interest
5% a year	₹1.66 crore	₹1.03 crore	about 2.2 times the interest
7% a year	₹2.42 crore	₹1.79 crore	about 3.8 times the interest

IF PROPERTY VALUE GROWS	VALUE AFTER 20 YEARS	GROWTH IN VALUE	COMPARED WITH ₹46.67 LAKH INTEREST
8% a year	₹2.91 crore	₹2.29 crore	about 4.9 times the interest

- **Break-even is low.** Property growth of only about 2.7% to 3% a year is enough to cover all the interest on a 20-year loan at 7% to 8%.
- **It catches up fast.** At 5% yearly growth, the rise in property value overtakes all the interest paid so far by around year 6.

CONDITIONS

Property prices do not rise every year and growth differs by city, location and project. Figures exclude your own contribution, stamp duty and registration. Buy a legally clear property in a good location, and plan to hold it for the long term.

Both together

On the same ₹50 lakh loan: a 10% SIP at 12% can give about ₹40 lakh, and 5% yearly property growth can add about ₹1 crore in value — against ₹46.67 lakh of interest. Used smartly, a home loan does not make you poorer; it makes you an owner and grows your wealth.

LOOK AT THE FULL PICTURE

While you pay interest, you own and use the property, rent is saved or earned, and the property's value can grow over 20 years. That is why a loan is a tool for building wealth, not just a cost.

NOTE

Figures are rounded and assume a fixed rate for the full tenure. Your actual EMI depends on the bank, your tenure, the rate on the day and any rate changes during the loan.

Tax benefits on a home loan

A home loan can also save you income tax every year. The main benefits are available under the **old tax regime**; under the new regime, most of them do not apply to a self-occupied home.

BENEFIT	SECTION	OLD REGIME	NEW REGIME
Interest on home loan — self-occupied home	24(b)	Up to ₹2 lakh a year	Not available
Interest on home loan — let-out property	24(b)	Full interest against rent; loss set-off up to ₹2 lakh	Interest against rent only; loss cannot be set off
Principal repayment	80C	Up to ₹1.5 lakh a year (within the 80C limit)	Not available
Stamp duty and registration	80C	Within ₹1.5 lakh, in the year paid	Not available
Interest during construction	24(b)	Claimed in 5 equal parts after possession, within the ₹2 lakh limit	Not available

EXAMPLE: ₹50 LAKH AT 7.5%, FIRST YEAR, OLD REGIME, 30% TAX SLAB

- Interest paid in year 1: ₹3.71 lakh — deduction allowed ₹2 lakh
- Principal paid in year 1: ₹1.12 lakh — deduction under 80C (if not already used)
- Tax saved: about **₹97,000** in the first year

Joint loan with spouse (both co-owners and co-borrowers, 50:50, both at 30%): each claims half the interest and principal within his or her own limits, so the full ₹4.83 lakh can be claimed — tax saved about **₹1.51 lakh**.

NOTE

Tax rules change with each Budget. Figures include 4% cess and are for understanding only. Choose between the old and new regime with your CA.

Managing your loan smartly

Taking the loan is the start. A few smart moves during the loan can save you lakhs.

Smart prepayment

On floating-rate home loans to individuals, banks cannot charge a prepayment penalty. Here is what different habits do to a ₹50 lakh loan at 7.5% for 20 years (total interest ₹46.67 lakh):

WHAT YOU DO	LOAN CLOSES IN	INTEREST SAVED
Nothing extra	20 years	—
Increase EMI by 5% every year	about 12.5 years	about ₹16 lakh
Pay ₹1 lakh extra every year	about 14 years	about ₹15.5 lakh
Pay ₹5 lakh once in year 3 — keep EMI, reduce tenure	about 16.75 years	about ₹10.8 lakh
Pay ₹5 lakh once in year 3 — keep tenure, reduce EMI	20 years (EMI falls to ₹35,936)	about ₹3.9 lakh

Tip: when you prepay, ask the bank to reduce the tenure rather than the EMI — you save far more interest.

Balance transfer and top-up — when to switch

Moving your loan to another bank for a lower rate makes sense when:

- the rate difference is **0.5% or more**, and
- at least **5 to 7 years** of the loan are left.

Example: ₹40 lakh outstanding, 15 years left, rate falls from 8.5% to 7.75%. EMI drops from ₹39,390 to ₹37,651 — about ₹1,739 a month, or about **₹3.1 lakh** over the remaining tenure, before switching costs (processing fee, legal and stamp duty). Before switching, also ask your own bank — many reduce the rate for a small conversion fee.

A **top-up loan** gives you extra money on the same property at close to home-loan rates — useful for renovation, a child's education or your next down payment.

Loan closure checklist

When you pay the last EMI, do not stop there. Collect and complete:

- ☐ All original property documents from the bank (check every page)
- ☐ No Dues Certificate / NOC from the bank
- ☐ Lien / charge removed from the property records, where registered
- ☐ CERSAI charge satisfied by the bank
- ☐ Credit report updated to show the loan as "closed" (check after 1–2 months)
- ☐ Any post-dated cheques or ECS mandate cancelled

Short of margin money?

Margin is the part of the price the bank does not fund — you pay it yourself. If you are short, there are safe ways to bridge the gap; plan them early so your purchase goes smoothly.

Example: Property ₹60 lakh, bank loan 80% = ₹48 lakh, margin needed ₹12 lakh + stamp duty. You have ₹8 lakh. Gap = ₹4 lakh + costs.

Options, from cheapest to costliest

OPTION	HOW IT HELPS	WATCH OUT
Loan against FD	Get 85–95% of FD without breaking it	Cost is low
Loan against mutual funds / shares	Use investments without selling	Market fall may need top-up
Gold loan	Quick money against jewellery	Repay on time
Top-up / LAP on another property	Long tenure, lower rate	Second property is mortgaged
Add co-applicant	Higher eligibility, sometimes higher LTV slab	Co-applicant shares liability
Builder payment plan	Spread your share over construction stages	Get it in writing
PF advance	Withdraw from EPF for home purchase (rules apply)	Reduces retirement savings
Family help (gift)	No interest	Keep a gift letter for the bank

OPTION	HOW IT HELPS	WATCH OUT
Personal loan	Fast, no security	Costly; its EMI reduces home loan eligibility — take it only after home loan sanction

Safety rules

- Never show margin paid in cash; banks accept only banking-channel payments.
- Do not take a high-cost loan for margin if total EMIs will cross 50–55% of income.
- Tell us the gap early — we can structure the loan to reduce it (co-applicant, tenure, right bank, valuation).

Your property as a safety net

A property bought on loan is not only a home — it is an asset you can use when you need money, and it protects your family when backed by insurance.

SITUATION	HOW THE PROPERTY HELPS
Business needs funds	Loan against property or top-up at lower rate than unsecured loans
Child's higher education or marriage	Top-up or LAP for large planned expenses
Medical emergency	Quick top-up on running loan
High-interest debts	Consolidate costly loans into one cheaper LAP
Rental income	Rent from a second home or shop helps pay EMI
Relocation	Rent it out or sell it; the loan can be closed from sale money
Retirement	A loan-free home means no rent; reverse mortgage is also an option for seniors
Death or disability of borrower	Loan-linked life insurance repays the loan; family keeps the home

If EMI becomes difficult

Act early — talk to the bank before missing an EMI. Options include longer tenure (lower EMI), a short-term restructuring, using savings, partial sale of other assets, or renting the property. Ignoring missed EMIs damages your credit score and can lead to legal recovery.

Myths and facts

MYTH	FACT
A loan is a burden	A home loan builds an asset; every EMI increases what you own.
Renting is always cheaper	Rent rises every year and builds nothing; EMI is fixed or linked to rates and ends one day with a home you own.
I should wait till I have saved the full amount	Prices usually rise faster than savings. A loan lets you own years earlier.
Banks charge a penalty for prepayment	On floating-rate home loans to individuals, there is no prepayment penalty.
Only salaried people get home loans	Self-employed, professionals, business owners and NRIs all get home loans.
The lowest rate is always the best offer	Compare total cost — fees, insurance, rate type and service matter too.
My CIBIL score drops if I check it	Checking your own score does not reduce it.
Women do not get any special benefit	No registration fee in Gujarat when the property is only in a woman's name, rate concessions at some banks and joint tax benefits.

Frequently asked questions

Q1 How much loan can I get?

It depends on income, existing EMIs, age, credit score and property value. Roughly, total EMIs can be 50–65% of income. Ask us for an exact check.

Q2 What is a good CIBIL score?

750 and above gets the best rates. Below 650 makes approval difficult.

Q3 Does checking my score reduce it?

Checking your own score does not. Applying to many banks at once (many hard enquiries) can reduce it — apply through one planned route.

Q4 Can I get a loan if my income is in cash?

Banks need provable income — ITR, bank credits or GST. Some lenders accept assessed income with a higher rate. Fix your ITR early for better options.

Q5 Is a woman co-owner useful?

Yes — many banks offer a slightly lower rate for women borrowers, and in Gujarat no registration fee is charged when the property is only in a woman's name.

Q6 Shorter or longer tenure?

Take a comfortable longer tenure for lower EMI and higher eligibility, then prepay whenever you have extra money. This gives both safety and savings.

Q7 Can I prepay or close early?

Yes. On floating-rate loans to individuals, banks cannot charge prepayment or foreclosure penalty.

Q8 What if interest rates go up?

For floating loans, the bank usually increases tenure first, or EMI. You can choose to raise EMI to keep the tenure same.

Q9 Can NRIs take a loan?

Yes, NRIs can take home loans and LAP for property in India, with overseas income proof and a power of attorney holder in India.

Q10 Can I buy a second home on loan?

Yes, if your income supports both EMIs. Rental income from it may be counted partly by the bank.

Q11 Is a loan possible on an old building?

Yes, if it is legally clear and structurally sound. Banks may limit tenure based on the building's remaining life.

Q12 Why should I use a loan consultant?

One visit compares many banks, avoids multiple enquiries on your credit report, and someone follows up until disbursement. Finance Market works as a directly authorised partner of banks and lenders and charges no consultancy fees directly to clients.

Your next steps

A simple action plan — use it with any bank or adviser.

01 Check your credit score

Download your free credit report and fix any errors first.

02 Fill your budget page

Work out the EMI you can pay comfortably — use the budget page at the end of this book.

03 Check eligibility

Find out how much loan you can get from two or three lenders.

04 Shortlist the property

Choose a legally clear, RERA-registered property in a growing location.

05 Compare offers

Use the comparison page at the end of this book to compare total cost.

06 Legal and technical check

Let the bank's lawyer and valuer approve the property before you pay large amounts.

07 Sign and track

Read the sanction letter, sign the agreement and track disbursement.

Documents to keep ready for the first discussion

- | | |
|--|---|
| ☐ PAN and Aadhaar of all applicants | ☐ Last 12 months' bank statement |
| ☐ Last 3 salary slips / last 2 years' ITR | ☐ Details of existing loans and EMIs |

- ☐ Property details — booking form, price and builder or seller name

Questions to ask any bank before you sign

- Is the rate floating or fixed? What is it linked to, and how often does it reset?
- What are the processing fee and all other charges, in writing?
- Is life or property insurance mandatory? What is the premium?
- Are there any charges for prepayment or foreclosure?
- How long will sanction and disbursement take?
- If the rate goes up, will my EMI change or my tenure?

Glossary

TERM	MEANING
EMI	Fixed monthly instalment of principal + interest
Pre-EMI	Interest-only payment during construction
CIBIL / credit score	Number (300–900) showing your repayment history
FOIR	Share of income going to all EMIs
LTV	Loan as a % of property value
Margin / own contribution	Part of price you pay yourself
Sanction	Bank's written approval of the loan

TERM	MEANING
Disbursement	Bank releasing the loan money
Mortgage	Property kept as security with the bank
Repo-linked rate	Rate that moves with RBI's repo rate
Foreclosure	Closing the loan fully before tenure ends
Title	Legal ownership of the property
BU permission	Approval that building is fit for use
NOC	No Objection Certificate

My budget

Fill this page before you choose a property. A comfortable EMI is usually not more than 40% to 50% of take-home income.

MONTHLY INCOME	AMOUNT (₹)
My take-home salary / business income	
Co-applicant's income	
Rent or other income	
Total monthly income	

MONTHLY EXPENSES AND COMMITMENTS	AMOUNT (₹)
Household expenses	
Children's education	
Existing EMIs (car, personal, other)	
Insurance premiums and SIPs	
Rent (until possession)	
Other	
Total monthly outgo	

MY HOME-LOAN PLAN	AMOUNT
EMI I can pay comfortably (₹)	
Savings available for down payment and costs (₹)	
Loan I need (₹)	
Property budget (₹)	

Compare your loan offers

Take offers from two or three banks and fill these two pages. Compare the total cost — not only the rate of interest.

MY PROPERTY	DETAILS
Date of offer	
Property / project name	
Address / area	
Agreement value (₹)	
Loan required (₹)	
Own contribution (₹)	

FIXED CHARGES — SAME FOR EVERY BANK	AMOUNT
Stamp duty on mortgage	₹7,000 for loans up to ₹1 crore; 0.35% of loan amount above ₹1 crore
Mortgage registration fee	₹5,500
Advocate (legal) fee	₹3,500

HOW TO COMPARE

- Compare the total one-time cost and the EMI, not only the rate.
- Check whether the rate is floating or fixed, and how often it resets.
- Ask whether insurance is mandatory or optional, and its premium.
- Get every offer in writing — an offer letter, email or sanction letter.

Bank offers

ITEM	BANK 1	BANK 2	BANK 3
Bank name			
Loan amount offered			
Rate of interest (%) — floating / fixed			
Tenure (years)			
EMI (₹)			
Processing fee + GST			
Valuation (technical) charges			
Life insurance — premium (₹)	☐ Mandatory ☐ Optional	☐ Mandatory ☐ Optional	☐ Mandatory ☐ Optional
Property insurance — premium (₹)	☐ Mandatory ☐ Optional	☐ Mandatory ☐ Optional	☐ Mandatory ☐ Optional
Prepayment / foreclosure charges			
Other charges (login, admin etc.)			
Total one-time cost (₹)			
Time to sanction / disbursement			
Remarks			

Charges are subject to change, if any, at the time of disbursement.

Notes

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Notes

[illegible]

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Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.



READY FOR YOUR NEXT PROPERTY?

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— SHRI KRISHNA · BHAGAVAD GITA 2.47

“The biggest risk is not taking any risk.”

— MARK ZUCKERBERG

“સાહસ એ સિદ્ધિનું પ્રથમ પગથિયું છે.”

Courage is the first step to success.

— GUJARATI PROVERB

“The journey of a thousand miles begins with a single step.”

— LAO TZU

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