



Banking Wisely (Part2): All About Loans

This week, we continue to look at banking products and services. Loans are one of the most popular banking products that people use so we've decided to give you the lowdown on the different types of loans and some of their requirements.

Mortgages

Customers usually take mortgages for 3 purposes:

- purchasing land
- purchasing house and land
- building a home

A mortgage is usually the largest investment that a person will make in his/her lifetime so it is vital to have all the relevant information before committing oneself. It is wise to call your financial institution to find out how much you are qualified to borrow before doing anything else. Knowing this amount will dictate the size of your house and associated costs. If you are buying instead of building a home, you must have the house inspected by a professional in the field. The repayment period of a mortgage can be as long as 25 years.

Some requirements include:

- Deed of sale showing title of property
- Recent land register
- Vendor's letter (if buying property)
- Development Control Authority approved plan
- Agreement between builder and prospective homeowner stating price
- Inland Revenue letter stating that all taxes have been paid

Consumer Loans

These loans are for personal, family or household needs and include vehicle or vacation loans. The repayment period may be from 1 to 7 years. Some requirements include:

- Salary Slip
- Comprehensive Insurance coverage
- Bill of Sale

Commercial & Developmental Loans

These loans are usually extended to businesses to assist with setting up operations or to purchase equipment. Because of the nature of these loans, some financial institutions offer the borrower a grace period before the repayment period commences. Some requirements include:

- Annual projections if it's a new business
- Balance sheets for an existing business
- Market analysis

Student Loans

Student loans are usually how many people further their education and most banks offer students a grace period while they are at school. Therefore, repayment begins when the course of study is completed.

Some requirements include:

- Birth certificate
- NIS number
- Certified copies of school certificates and diplomas
- Acceptance letter from the institution
- Two character references
- Security :
 - ◆ Property
 - ◆ Guarantors
 - ◆ Cash

If you are interested in any of the loans above, do call 456-6000 or email us at info@bankofsaintlucia.com. You may also visit us at www.bankofsaintlucia.com.