

Product	Rate of Interest disbursed APR'19-JUN'19		Mean Rate
	Min ROI	Max ROI	
Rural Lending products			
Kisan Credit Card	9.40%	15.70%	12.89%
Kisan Tatkal	8.70%	9.80%	9.32%
Cattle Loan	-	-	-
Non Schematic Loans	8.35%	14.05%	11.10%
Kisan Mitra	9.50%	11.80%	10.38%
<b>Note:</b> <ul style="list-style-type: none"><li>•It includes various categories like fixed rate/floating rate as applicable and is based on factors such as loan amount, customer relationships, etc.</li><li>•Mean rate = Sum of rate of interest of all loan accounts / Number of all loan accounts.</li></ul>			
Annual Percentage Rate: The Annual Percentage Rate (APR) is a method to compute annualized credit cost which includes interest rate and loan origination fee.			

## Rural MCLR FAQs for Website

### 1. What is MCLR?

MCLR stands for Marginal Cost of Funds based Lending Rate.

MCLR is the benchmark rate below which the bank cannot provide Loans to customers who are availing loans linked to MCLR. The new benchmark rate is applicable for new Loans sanctioned & credit limit renewed from April 1, 2016 onwards.

**MCLR** is a methodology by the Reserve Bank of India (RBI) for setting lending rate on loans by commercial banks. **MCLR** is built on four components- marginal cost of funds, tenor premium, operating expenses and Cash Reserve Ratio (CRR).

### 2. What are the various types of benchmark under MCLR?

Currently, the Bank has published the following MCLR:

- Overnight MCLR
- One-Month MCLR
- Three-Month MCLR
- Six-Month MCLR
- One Year MCLR
- Two Year MCLR
- Three Year MCLR

### 3. Will the existing customers linked to Base Rate be allowed to migrate to MCLR based pricing without change in effective rate of interest?

All existing customers have to switch from existing system of Base rate + Spread to the new system as below

**For Rural Enterprise:** 3 Months MCLR + Spread for CC & OD and 1 Year MCLR + Spread for Term Loan (without changing the effective rate of interest). No switch fees would be charged for this option.

**For Farmer Funding:** 1 Year MCLR + Spread for CC, OD & Term Loan (without changing the effective rate of interest). No switch fees would be charged for this option.

### 4. What is the process for changing from an existing Base benchmark rate to MCLR benchmark rate?

For changing from existing base benchmark rate to New MCLR benchmark rate, the customer may visit the nearest Loan Centre or at the time of Renewal or Enhancement (whichever is earlier), an agreement will be executed with New MCLR Rate.