

**Option for existing floating rate customers to switch over to current card rate**  
**Format of Option Letter**

To:  
 State Bank of India  
 \_\_\_\_\_ Branch

Dear Sir,

<b>HOME LOAN ACCOUNT NO.</b>	
<b>OPTION TO SWITCH TO</b>	
<b>CURRENT INTEREST RATE STRUCTURE</b>	

1. I/We invite a reference to the home loan availed by me/us from the Bank and the loan documents viz. Arrangement Letter, Loan Agreement etc. executed by me/us on \_\_\_\_\_ (date) in respect of our Home Loan account no having current outstanding of **Rs.** \_\_\_\_\_/- (Rupees \_\_\_\_\_) only. Interest is payable on the loan at the rate linked to SBAR/Base Rate/MCLR as mentioned in the arrangement letter.

2 I/We understand that State Bank of India is providing an option to the existing Home Loan borrowers to switch over to the current card interest rate, which is \_\_\_\_\_ % (spread) above RBI's Repo Rate which presently is \_\_\_\_\_ % p. a.. The present effective rate of interest being \_\_\_\_\_ % p. a calculated on daily balance of the loan amount at monthly rests, subject to the interest rate reset on the 1st day of every calendar quarter, on the basis of the prevailing RBI Repo Rate. The spread is sum of Credit Risk Premium of \_\_\_\_\_ % and other cost including operating cost. The Bank shall at any time and from time to time be entitled to change Credit Risk Premium when borrower's credit assessment undergoes change. Also, other cost including operating cost can be altered periodically at Bank's discretion. I/We further, enclose a debit note/cheque no. \_\_\_\_\_ dated \_\_\_\_\_ for **Rs 5,900** /- towards payment of one-time switch-over fee. [Strike-out the clause whichever is not applicable]

3. All the other terms and conditions, I/We had agreed to, while availing the said Home Loan will remain unchanged. I/We request you to change the interest rate structure in my above said Home Loan account with effect from \_\_\_\_\_ (date). I/We also undertake to replace/change the PDCs and/or mandate for ECS/S.I. earlier given to the Bank for repayment of loan.

Yours faithfully,

Borrower (s)

Place:

Date:

Term and conditions stated in this letter are accepted by me/us as a guarantor (s).

Guarantor (s)

Place:

Date: