

Silkbank M'Power

What type of facility is M'Power?

M'Power is a Running Finance / Working Capital credit line facility against real estate extended to meet your day to day business requirements.

Who is eligible to avail this facility?

It is governed by SBP Prudential Regulations for SME and hence all Small & Medium Enterprises and all Business Persons and Self Employed Individuals e.g., doctors, engineers and architects etc satisfying the definition of SME as per State Bank's PR are eligible. All Small & Medium Enterprises, Business and Self Employed Individuals applying for the facility should be Pakistani Residents.

What is the tenure of facility granted under M'Power?

The credit line is extended for 1 year and subsequently renewed on yearly basis subject to your re payment history and bank's internal policies and guidelines.

Is the credit facility provided for a specific purpose?

Yes, the Facility is provided specifically for meeting the running finance / working capital requirements of well-established business person who have valuable real estate to offer as a security acceptable to the Bank.

Is this a secured credit line?

Yes, your credit line will be secured by mortgage of built up residential and/or commercial property & land as per bank's approved area.

How many properties can be mortgaged as collaterals to avail the facility?

A maximum of 3 properties can be mortgaged as collaterals to avail the facility.

What should be the occupancy status of collaterals?

Residential, commercial buildings and lands should be owner occupied. However, rented, vacant and partially rented properties are also acceptable as collateral depending upon the bank's policies.

Is insurance mandatory?

Yes, property insurance is mandatory unless the loan amount is fully covered by appraised land value.

How do I pay my insurance premium?

Your insurance premium for the year will be deducted upfront from your credit line in advance.

What are the insurance rates?

The insurance company on The Bank's panel is charging 0.07% and 0.09% respectively against residential and commercial properties*. The rates will be levied against the approved loan amount and not on the appraised property value. These rates are quoted by External Insurance Company and are subject to change without any prior notice.

*These rates are quoted by Insurance Companies on the panel of the bank and are subject to change. Currently companies on the panel are PICIC Insurance Co., and Saudi Pak Insurance Co.

What is the maximum loan amount that I can avail?

You can avail a maximum of PKR 15 million.

What should be my monthly income in order to qualify?

Your monthly minimum net income should at least be PKR 50,000/- . However, the approved loan amount depends upon LTV, monthly income and overall debt burden.

How much loan can I get against my collaterals?

You can get a maximum Upto 70% of your collateral's appraised value subject to meeting other criteria as well. However, The Loan to Value (LTV) may differ in case of multiple collaterals depending upon their appraised values, locality, and occupancy status & title status (residential/commercial) etc.

Are there any processing and renewal charges?

Yes, there are loan processing charges which are Rs. 5,000/- if customer is availing loan against residential property and Rs. 7,000/- if the customer is offering commercial property to avail the loan.

Customer will also have to pay renewal fee on yearly basis which Rs. 5,000/- or 0.05% of line amount (whichever is higher).

What other charges do I have to pay with regards to availing the credit line?

You will pay legal charges, property appraisal and income estimation fees. These charges will be quoted by Vendor. Please refer to our Schedule of Charges (SOC) for all kinds of fees and charges associated with M'Power. The SOC are placed on Bank's official website at www.silkbank.com.pk and a copy can also be obtained from any of our branches. Stamp duties, mortgage charges, levies along with any other applicable charges will be paid by you directly to the lawyer at the time of loan approval.

How do I pay the upfront charges?

Under no circumstances you should pay cash to any of our sales staff. All payments must be made via Pay Order in favor of the Bank and / or relevant external agency from whom the services is being sought.

Are charges refundable?

No, charges once paid will not be refunded.

How much do I have to pay to service my loan?

You will have to pay mark up only on the utilized amount on a monthly basis by the specified due date of 15th of every month.

What is the due date for payment of monthly dues?

You must pay your monthly dues by the 15th of every month in order to avoid late payment charges (LPC).

Where do I have to pay my monthly dues?

You will submit your dues in your separate Re-payment account opened with us. Kindly do not submit payment in your Line Account to avoid confusion and imposition of LPC.

What are the modes of monthly repayment?

You can make your monthly repayments through following modes;

1. Interbank Funds Transfer (IBFT)
2. Cheque
3. Cash
4. Drop Box placed in branches
5. Silkbank-direct Internet Banking

How much do you charge as LPC?

Late Payment charges as per the following grid

Loan Amount	Per Day Charges	Fixed Charges – One Time
Upto Rs. 10 MM	Rs. 100/-	Nil
More than Rs. 10 MM and upto Rs. 20 MM	Rs. 500/-	Rs. 5,000/-
More than Rs. 20 MM	Rs. 1,000/-	Rs. 10,000/-

What is the pricing / mark up of my credit line?

The variable pricing / mark up rate will be based upon 3 months KIBOR + a pre defined spread of 6.0%. The spread will be locked for the tenor of the loan.

What is the renewal process?

Your credit line will get renewed every year subject to your request and satisfactory payment history and sole discretion of the Bank.

Can my credit line be enhanced?

Yes, it can be enhanced after a year at your written request and subject to satisfactory re-payment history and meeting The Bank's criteria and policy guidelines.

Are co borrowers allowed?

Yes, we allow Upto 4 co borrowers (in income and property). Co-borrowers can be your blood relatives, spouse and business partners only.

What are the maximum and minimum age brackets?

The primary applicant & co borrower whose income is being considered should at least be 25 years old while the co borrower whose property is being considered as collateral can be 18 years of age. The maximum age is 65 for primary borrower and 70 years for co borrowers.

For how long should I be engaged in business activity to qualify the loan?

You must have at least 5 years of experience in your current business activity.

How will you assess my income?

Your income will be assessed through all primary and secondary sources. Income of primary and co borrowers can be clubbed and assessed through income estimation firms. Additional income can be derived through verifiable rental contracts and from investments evidencing complete ownership proof.

Can you take over my loan facility which I have availed from another bank?

Yes, your similar facility with any other bank can be taken over by us subject to the bank's criteria and policy guidelines.

What should I do in case of any concern / query or complaint?

You can contact our sales or service representative at any of our branch or simply call the Bank's Call Center at 111-100-777. Please don't forget to take your compliant registration number.

In which cities; M'POWER facility is currently being offered?

Presently the facility is being offered in Karachi, Lahore, Islamabad & Rawalpindi.

In how days my case will be processed?

Your case will be processed in 4 weeks time from the date all documents have been submitted.