



HSBC Personal Loan

Frequently Asked Questions

1. Why should I apply for an HSBC Personal Loan?

- Fast Approval – upon submission of complete requirements, it will only take to 7 banking days to know the result of the application
- Convenient Payment Channels – Access hundreds of HSBC payment centers nationwide

2. For what purposes can the money I borrow be used for?

You can use the money for various personal needs such as for tuition, hospitalization, car upgrades and bill payments.

3. What are the different loan terms I can apply for?

The available loan terms are: 6 months, 12 months, 18 months, 24 months and 36 months.

4. What is the minimum / maximum loan amount that may be granted to clients?

- Minimum: PHP30,000
- Maximum: PHP500,000 or 3x monthly gross salary, whichever is lower

Please note that the loan amount to be granted will be subject to the bank's credit review and final approval.

5. What is the interest rate?

You can view our updated interest rates in the [loans section](#).

6. How do you compute for the total interest on the loan?

The interest per annum shall be computed on the basis of the actual number of calendar days in a year and the actual number of days elapsed from the date hereof.

7. What is the difference between Add-on Rate and Effective Interest Rate (EIR)?

Add-on interest rate is a quick way to compute for the total interest to be paid on the loan. When you add this to the principal loan amount, and divide it by the number of repayments, it will give you the amortization amount.

Example:

Loan amount	Php120,000
Loan term	6 months
Add-on interest (annual)	0.89%
Add-on interest (monthly)	10.63%
Monthly amortization	Php21,063.03
Total interest to be paid on the loan	Php6,378.15

Effective interest rate is the rate that exactly discounts estimated future cash flows through the life of the loan to the net amount of loan proceeds. For consistency, methodology and standards for discounted cash flow models shall be prescribed to be used for the purpose.

Example:

Loan amount	Php120,000
Loan term	6 months
Effective interest rate (annual)	18%
Effective interest rate (monthly)	1.5%
Monthly amortization	Php21,063.03
Total interest to be paid on the loan	Php6,656.39

For either calculation method, interest shall be computed based on the outstanding balance of the loan at the beginning of an interest period.

8. What will be my monthly repayment?

Your monthly repayment will be dependent on the approved amount and tenor of your loan. Interest shall be computed based on the outstanding balance of the loan at the beginning of an interest period. An amortization schedule and disclosure statement will be provided upon loan drawdown.

To have an estimate of possible monthly amortization, you may access our personal [loan amortization table](#).

9. What are the repayment methods?

You may choose either the Straight-Line Scheme or Reducing Balance Scheme to be applied on your monthly amortization. For either calculation method, interest shall be computed based on the outstanding balance of the loan at the beginning of an interest period.

Straight-Line Scheme – you can easily forecast your amortization cost along with your other expenses. Your monthly amortization is fixed and allows you to plan and manage your monthly cash flows.

Reducing Balance Scheme – your monthly amortization varies and you can get more savings on your interest payments over the life of the loan since the principal portion is paid off faster at the earlier stages of the loan.

10. What are my payment options?

Here are your payment options:

- Post-dated cheque
- Auto-debit facility (ADA) for customers with HSBC existing HSBC deposit account
- Payment Centers

11. What are your Payment Centers?

Here is the list of our payment centers: (subject to change from time to time)

- Banco de Oro
- Bank of the Philippine Islands
- HSBC/HSBC Savings Bank EasyPay Machines
- Local Payments from any local bank
- Megalink ATM
- SM Payment Centers
- Unionbank

12. What are the applicable fees?

- Documentary Stamp Taxes: Php1.50 for every Php200 or a fraction thereof of loan proceeds for loans above PHP250,000 or loan purpose is for business use
- Amendment Service Fee: PHP500 for any adjustments made (after loan drawdown) on the account terms (i.e. loan amount, tenor, rate, change of payment method, change of due date)

- Overdue Interest Charge for Late Payments: 36% per annum on all overdue instalments.
- These fees and charges are subject to change with prior notice.
- If suit is commenced on the delinquent loan, or the same is delivered to any Attorney-at-law for collection, You agree to pay the Bank the actual amount of attorney's fees, expenses of collection and costs of suit.

13. Who is eligible to apply for an HSBC Personal Loan?

To be eligible you must:

- Be a permanent resident of the Philippines residing at least 3 years in any of the following areas: Metro Manila, Bulacan, Pampanga, Metro Cebu, Cavite, Davao City and Rizal
- Be above 21 during loan application but below 60 years old upon loan maturity
- Have a minimum gross monthly income of: PHP14,000.00 (for salaried/employed in all other areas) or PHP50,000.00 (for self-employed)
- For Employed applicants – 2 years combined employment with present or previous employer
- Have any 2 of the following: Residential landline, Office landline, Mobile Phone Number

14. How can I apply for an HSBC Personal Loan?

You can apply for an HSBC Personal Loan by following these easy steps:

- a. Fill out and submit your application form (Personal Loan application forms are available at all HSBC Branches)
- b. Submit all the requirements together with your application form. You may forward your application through an HSBC branch near you.

15. What supporting documentation do I need in order to complete the HSBC Personal Loan application?

For **EMPLOYED** applicants, you may submit the following documents:

- a. Latest Income Tax Return or BIR Form W-2 or any valid ITR alternatives
- b. Latest 1 month payslip
- c. Photocopy of valid photograph-bearing ID (Passport, Driver's License, PRC ID) with proof of nationality and date of birth; must be original-sighted by Sales Officer
- d. Proof of residential address (PORA)
- e. Signed Terms and Conditions with Global Consent Clause
- f. If foreign national, any of the following additional documents will be required: Copy of valid resident visa or copy of valid non-resident visa considered by BSP as eligible for peso loans. 1-year residency is required for foreign nationals applying for Personal Loans.

For **SELF-EMPLOYED** applicants, you may submit the following documents:

- a. ITR and Audited Financial Statement for the last 3 years (same business)
- b. SEC/DTI Certificate of Registration
- c. Business or Mayor's Permit
- d. Bank Statement for the past 3 months (at least one year active)
- e. Photocopy of valid photograph-bearing ID (Passport, Driver's License, PRC ID) with proof of nationality and date of birth
- f. Proof of Residential Address (PORA)
- g. If foreign national, any of the following additional documents will be required: Copy of valid resident visa or copy of valid non-resident visa considered by BSP as eligible for peso loans

16. I am having difficulty completing my application form, who can I speak to for assistance?

For loan application assistance, please visit any branch.

17. I've applied for an HSBC Personal Loan, how can I check on the status of my application?

For the status of your loan application, you may call our Customer Service Hotline at (02) 85-800.

18. How long is the processing of loan applications?

For completed application forms and requirements, loan processing would normally take 5 to 7 banking days.

19. How quickly will I receive the funds if my loan is approved?

You can draw the funds 2-3 banking days from approval date.

20. How can I access my loan proceeds?

Once approved, you need to go personally to the HSBC branch you have indicated in your application form. Banking hours are from 9am until 4pm, Mondays thru Fridays.

21. How will I know my payment schedule and amortization?

A copy of the disclosure statement and amortization schedule will be provided to you upon loan drawdown.

22. Can I access my loan account online?

Yes. If you are an existing internet banking client, your new loan will be linked automatically to your current internet banking account. If you are having trouble viewing your new loan account, please call our Customer Service hotline at (02) 85-800.

If you are not yet registered to our internet banking and you have an existing bank or credit card account, you may register by using your Phone Banking number or credit card number or ATM/debit card primary account number.

23. How do I register for online banking?

- a. Register to online banking
- b. Register using your Phone Banking number or credit card number or ATM/Debit card primary account number
- c. Create your username
- d. Set your passwords and security questions
- e. Accept Terms and Conditions
- f. Set your Account Preferences

24. How do I update my personal details?

You may contact our Customer Service Hotline at (02) 85-800.

25. How do I change the account from which my repayments are directly debited from (ADA)?

You may visit your branch of account to change the details of your account. Please note that there will be a corresponding amendment fee (PHP 500) should you wish to amend your loan's current set-up.

26. What is a Loan Top Up?

Loan top up allows you to re-avail your loan even if you have not fully paid your loan. Loan balance of the existing loan will be consolidated with the new loan application.

You may apply for a loan top up provided that your existing loan account with HSBC is at least 6 months already and is not delinquent.

27. I would like to avail of the top-up, how can I apply?

- a. Fill out and submit your application form (You may contact your Relationship Manager for access to application form)

- b. Submit all the requirements together with your application form through your HR personnel or your Relationship Manager.

Similar to our regular loan applications, loan top up applications are still subject to the bank's credit review and approval.

28. What is a credit record and a credit score?

A credit record is used by banks and finance companies when they are deciding whether to approve your application for a new loan or credit card, or when managing existing such as increasing your borrowing limit.

A credit score is a number that indicates the status of your credit record. This number changes, as the information in a credit report changes. For example, if you make late payments on a loan, your score will drop. This score is composed of information about your amount of debt, type of credit, length of credit history, and payment behavior, among others.

For more information, please visit our page on [credit records](#).

29. Can I apply for an HSBC Personal loan in joint names?

Unfortunately, we cannot accommodate loan applications under joint names.

30. How can I close/pre-terminate my HSBC Personal Loan account?

For clients with personal loan accounts, you may call our Customer Service Hotline (02)-85-800 or go directly to your branch of account to confirm your outstanding balance and charges for pre-termination.

31. Is there any cost if I pay out my HSBC Personal Loan early?

A Breakfunding fee may be charged, the cost of which shall be for your account.

HSBC does not look to profit from your prepayment but simply looks to recover reasonable estimates of our loss, this prepayment loss recovery may also be defined as a Break Funding Cost in your loan agreement. Break funding Costs are typically assessed for loans that are paid before maturity and represent the cost of having to reinvest funds at a lower return.

32. How is this Break Funding Cost computed?

Break Funding Costs apply when HSBC's cost of funding for the time remaining until the end of the agreed fixed rate period is lower than the original cost of funding. How a break cost is typically calculated is outlined in an example below.

For illustration purposes only:

Client takes up PHP1M loan on 04 January 2016 and decides on the one year fixed rate option. On 04 April 2016, he decided to prepay his loan for the amount of PHP300,000. Since 3 months has lapsed since drawdown, the applicable reference rate is the prevailing 9-month market rate.

In the example above, we use 4.05% as HSBC's cost of funds at the time of draw down. At the prepay date, the current applicable reference rate for the time remaining is at 4%.

(A) Booking Date:	4 January 2016
(B) Unwind Date:	4 April 2016
(C) Maturity Date:	4 January 2017
(D) Time to Maturity:	275 days
(E) Amount Prepaid:	Php300,000
(F) Cost of Funds:	4.05%
(G) Current App. Ref. Rate:	4.00%
(H) Difference:	0.05%
(I) Break Funding Cost:	Php113.01

The break funding cost is calculated by multiplying E (Amount prepaid) x H (Difference) X D (Time to Maturity)/365

You may contact your Home Loan Specialist or Relationship Manager for other fees related to your mortgage pre-termination.

33. What other things do I need to consider when taking out a personal loan?

Remember that there is always a cost to borrowing, and this is the interest that you pay for the loan. The longer you take to repay a loan, the more it will cost you in interest. Consider the monthly payment of the loan before taking one. Make sure that you have a stable source of income and enough savings that can finance the loan. Moreover, failure to pay your loan can hurt your credit profile. If you plan on taking another loan in the future to finance the payments, all you are doing is increasing your debt, which will not help you to get your finances in order. Always try to have some money set aside for the future. If you have money left over each week or month, always aim to put some aside for savings for you and your family future emergencies.

IMPORTANT NOTE:

The above terms, conditions and features may change and/or vary at any time for which you will be advised.

Speak to your Relationship Manager or visit our website at www.hsbc.com.ph to get more information on HSBC Personal Loan.

For inquiries or complaints, please call HSBC's Customer Services at +63(2) 85-800 from Metro Manila, +1-800-1-888-8555 PLDT domestic toll-free, +63(2) 976-8000 from overseas (country code) + 800-100-85-800 international toll-free for selected countries, or send an email to hsbc@hsbc.com.ph. If you want to find out more about HSBC's customer feedback procedures, please visit hsbc.com.ph/feedback.

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