

# Banking Terminology

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## BANKING GLOSSARY

No.	TERM	DEFINITION
1	<b>Acceptance Letter</b>	Acceptance letter is the letter that a borrower or applicant gives to the lender after reading the terms of the loan. This letter denotes the borrower's willingness to accept the loan offer within a particular time frame.
2	<b>Account balance</b>	Opening Account Balance / Beginning of the Day (BOD) Balance: The balance in an account at the beginning of each business day; includes all deposits and withdrawals that were posted from the previous night, whether or not funds have been collected. Closing Account Balance / End of the Day (EOD) Balance: The account balance computed at the end of the business day, and is the adjusted balance of the credits and debits during the business day in the account of the customer.
3	<b>Account statement</b>	Periodic statement of all the debit and credit transactions on an account for a given statement cycle.
4	<b>Acquirer</b>	Acquirers are banks and financial institutions that collaborate with businesses to accept credit/debit card payments.
5	<b>Active account</b>	A bank account in which there are regular transactions. A bank account that is not dormant or inoperative or under an attachment order of the court or enforcement authorities.
6	<b>Additional cardholder</b>	Another member added to an existing card thus extending its usage is called an additional cardholder. Thus by adding an additional cardholder the existing cardholder allows him/ her to make purchases and use the credit card. However, the responsibility to repay the monthly outstanding balance rests with the original (principal) cardholder.
7	<b>Administrative Fee</b>	A one time non-refundable levy to bank's customers for meeting expenses related to appraisal of loan proposals.
8	<b>Advance EMI</b>	Number of equated monthly installments, paid in advance at the time of disbursement of loan.
9	<b>Affinity Card</b>	Credit cards linked to special organizations like sports clubs, exclusive clubs and charities. Affinity credit cards can also help raise funds, when a part of income from every transaction goes toward the benefit of relevant organization.

10	<b>Amortization</b>	Amortization is the repayment of Principal and Interest components of a Loan, over a period of time. Certain category of expenses or charges are also amortized over a period of time.
11	<b>Annual Fee</b>	An annual amount charged by the credit card companies to maintain the credit card.
12	<b>Annual percentage yield (APY)</b>	A percentage rate reflecting the total amount of interest paid on a deposit account (savings, CDs etc.), based on the interest rate and the effect of interest compounding for one year.
13	<b>Anywhere Banking</b>	Customer can deposit/ withdraw cash at any branch other than the branch in which he holds the account. Anywhere banking frees the customer from geographical boundaries and limitations and gives the flexibility to the customer to use his account across the board.
14	<b>Application Form</b>	A form to be filled in and signed as per the Bank's requirements to avail Banking facilities. Requirement of details to be filled in will vary for each facility. Applications may also require certain specified documents also to be attached.
15	<b>Arrears Outstanding</b>	The arrears outstanding comprises of the unpaid EMI's and other charges, if any, levied in the account.
16	<b>Asset</b>	Cash or anything you own that can be turned into cash. This includes property, goods, savings or investments. These are things that people own such as buildings, vehicles, shares and money in the bank. The opposite is liabilities. For a bank, its assets are mainly the loans it makes
17	<b>ATM</b>	Acronym for automated teller machine, a machine at a bank branch or other location, which enables a customer to perform basic banking activities (checking one's balance, withdrawing or transferring funds) even when the bank is closed.
18	<b>Attestation</b>	Authentication of signatures of a customer of the branch required by the customer for any legal purposes.
19	<b>Automatic Funds Transfer</b>	An arrangement that moves funds from one account to another automatically on a pre-arranged schedule; for example, every payday or once a month.
20	<b>Automatic payment</b>	An arrangement that authorizes payments to be deducted automatically from a bank account (usually a savings/current account) to pay bills (such as insurance payments, rent, mortgage or loan payments). Payments are usually scheduled to be made on a certain day of the month.

21	<b>Available balance</b>	The available balance is the account balance in the account that is available for immediate use at any given point of time
22	<b>Available Credit</b>	Available credit is your credit limit minus your current balance. It is the unused portion of your credit line.
23	<b>Average daily balance</b>	The average balance in a deposit account, equals the sum of the daily account balances during an accounting period, usually a monthly or a quarterly cycle, divided by the number of days in the accounting period. Banks normally specify certain minimum average daily balance to be maintained in current and savings accounts.
24	<b>Bad Credit</b>	A term used to describe a poor credit rating including an account in default. Common practices which can damage your credit rating include late or missed payments, exceeding the limit on cards, defaulting on loans or declaring bankruptcy. "Bad Credit" can result in the denial of future credit.
25	<b>Balance Transfer</b>	Transferring balances from one credit card to another, usually to take advantage of a lower interest rate. Transfers are limited to the available credit on the receiving card.
26	<b>Bank Draft</b>	An instrument issued by one branch of a bank on another branch of the bank containing an order to pay a certain sum on demand to the person named on the draft. It is used to transfer funds and to settle outstanding balances between banks, or to provide a customer with funds payable at a bank in a different location. Bank drafts are valid for certain period, generally, for 6 months, as indicated over face of draft.
27	<b>Banker's Cheque</b>	A cheque issued by a branch of a bank against consideration received. Banker's cheque are valid for a certain period as indicated on the face of the cheque. (also called Pay Order).
28	<b>Bankruptcy</b>	A legal action, in which a person who is not able to repay his loans satisfactorily, is declared bankrupt by a court order. The collateral or security in this case becomes liable to be attached by administration to satisfy creditors.
	<b>Base Rate</b>	New reference rate used by banks for loan pricing w.e.f July 2010. Base rate captures cost of deposits, cost of capitals and unallocable (common) overheads. Banks are not allowed to lend base rate except for certain specified category or borrowers.
29	<b>Basis Point</b>	A unit of measurement which is equal to 1/100th of 1%. This is used to measure changes in interest rates, stock-market indices or yield on fixed income securities. For example, if an interest rate is

		reduced by 50 basis points it means an effective reduction of 0.5%.
30	<b>Bill discounting</b>	Under this type of lending, Bank takes the bill drawn by borrower on his (borrower's) customer and pay him immediately deducting some amount as discount/commission. The Bank then presents the Bill to the borrower's customer on the due date of the Bill and collect the total amount. If the bill is delayed, the borrower or his customer pay the Bank a pre-determined interest depending upon the terms of transaction.
31	<b>Bill Pay Service</b>	Bill Pay is a service of Online Banking from bank that allows you to pay your bills online. In addition you can elect to receive e-Bills - electronic versions of your paper bills - from your bank credit card and a variety of companies currently offering e-Bills.
32	<b>Biller</b>	A service provider who bills his/her services at specified intervals and has facilitated receipt of payment from his customers through online banking.
33	<b>Billing Cycle</b>	The number of days between your last statement date and your current statement date. Most service providers follow a monthly billing cycle.
34	<b>Billing Statement</b>	A monthly bill from your credit card issuer which describes and summarizes the activity on your account including the outstanding balance, purchases, payments, credits, finance charges and other transactions for the month.
35	<b>Borrower</b>	The person/legal entity who is taking the loan with the promise to repay it back with interest under the credit or loan agreement.
36	<b>Bounced cheque</b>	A cheque, which a bank returns unpaid because there is not enough available balance in the account or for other reasons.
37	<b>Broker</b>	Broker is an individual who, for a commission or a fee, brings two parties together and assists in negotiating contracts between them.
38	<b>Budget</b>	The financial record you use to keep track of the money you earn, how much you spend and what you spend it on. Your budget also includes savings and how much you pay to your creditors.
39	<b>Business Credit Card</b>	A reward credit card, that comes with special features and rewards for corporate users. Business credit card builds credit history for the associated business. They are a good way to separate business expenses from personal ones.
40	<b>Calendar Year</b>	Commencing from the day and month of a year to the previous day and month of the next year. A calendar year commencing on

		1st March will end on 29th February if next year is a leap year at 28th February.
41	<b>Canceled cheque</b>	A cheque that has been not paid and cancelled by the drawer – Account holder.
42	<b>Capital Adequacy Ratio</b>	Capital Adequacy Ratio is the capital to assets ratio which banks are required to maintain against risks. It is also known as Capital to Risk (Weighted) Assets Ratio (CRAR).
43	<b>Card Holder</b>	Cardholder is a person who owns a debit or credit card issued by a credit card company, financial institution or bank.
44	<b>Card Issuer</b>	A bank, financial institution, credit union, or agency that issues a credit card to public or its members is called a card issuer.
45	<b>Card member Agreement</b>	The issuer's terms and conditions relating to your credit card account. The Card member Agreement is between the customer and the card issuing company and is a legal document. (When you sign up for a credit card understand the terms and Conditions).
46	<b>Carpet Area</b>	The area inside the walls of a room, measured from wall to wall including the door jams. In simple terms it is the area usable as floor level inside a room.
47	<b>Cash Advance (Credit Card)</b>	Applies to an advance taken against a credit card account. The advance may be through a cash withdrawal at an automated teller machine, bank teller or by use of a convenience check. This cash is an instant loan from your credit card account. The credit card company will apply finance charges from the day you take the advance until the day you pay it off. A transaction fee may also be charged based on the amount of your withdrawal.
48	<b>Cash Advance Fee</b>	A one-time fee for cash advances in addition to normal finance charges. This fee is usually a percentage of the advance amount.
49	<b>Cash Back Credit Card</b>	It is a special type of reward credit card, which pays back in cash. Whenever you use your cash back credit card to make purchases, a percentage of it is returned back to you. The cash back rewards can be redeemed as gift vouchers, or hard cash.
50	<b>Cash Reserve Ratio (CRR)</b>	Cash Reserve Ratio is the amount of mandatory funds that commercial banks have to keep with RBI. It is always fixed as a percentage of total demand and time liabilities.
51	<b>Certificate of Title (Title Deed)</b>	An official document, showing the ownership or title of the property in question is called the certificate of title/title deeds. It describes various details about the property such as the area,

		location, registered owner and other factors and charges related to the property.
52	<b>Certificate of Deposit (CD)</b>	A time deposit that is payable at the end of a specified term. CDs generally pay a fixed interest rate and generally offer a different interest rate than other types of deposit accounts. If an early withdrawal from the CD prior to the end of the term is permitted, a penalty is usually assessed. CD is sold at discount value and being a money market instrument, can be transferred to other person through negotiaion.
53	<b>Certified cheque</b>	A cheque for which the bank guarantees payment. Banks in India do not generally, certify cheques.
54	<b>Charge back</b>	A credit card transaction, which is returned or not honored, is called a charge back. Usually done by the credit card holder in response to faulty products, credit card fraud, a dispute or non-compliance with the rules and regulations, charge back restores the funds back with the credit card.
55	<b>Charge back Period</b>	It is the time period from a particular credit card transaction within which, the credit card holder must initiate a charge back.
56	<b>Charge Card</b>	A card that requires full payment of the balance before the end of the billing period. It is not a line of credit and no interest is charged.
57	<b>Cheque for Collection</b>	An instrument drawn on another Bank or Branch tendered by a customer of a Bank or by his representative, at the branch or in the drop box provided for the purpose for collecting the amount of the cheque.
58	<b>Cheque purchase</b>	Bank may, at its sole discretion, purchase local/outstation cheque tendered for collection at the specific request of the customer or as per prior arrangement subject to levy of service charges.
59	<b>Cheque return fee / EMI return fee)</b>	This is a 'service charge' that would be levied in the account due to return of cheque sent for collection/EMI cheque. Usually, both the collecting bank and paying bank leavy cheque eturn charges on their customers.
60	<b>Clear Title</b>	When the property in question is free from any doubt, is not disputed and is not having any encumbrances it is said to have a clear title.
61	<b>Co-borrower</b>	A person who applies for any loan with the primary borrower and takes on the responsibility for repayment of the debt. This is done to improve the eligibility for loan and simultaneously mitigating

		the risk of banks who can exercise the option of recovery from both parties- jointly as well as severally.
62	<b>Co-Branded Card</b>	It is a special type of credit card which is sponsored by both the credit card issuing company and the participating retail company or vendor. Co-branded credit card carries special deals and savings from the participating merchants.
63	<b>Collateral</b>	An asset pledged to a lender to guarantee repayment. Collateral could include savings, bonds, insurance policies, jewelry, property or other items that are pledged to pay off a loan if payments are not made according to the contract. Collateral is not required for unsecured credit card accounts.
64	<b>Collected Balance</b>	The balance in a deposit account, not including deposited items that have not yet been paid, or collected. See also Glossary term, "account balance." It is also known as cleared balance.
65	<b>Combined Balance</b>	Any combination of balances from linked accounts, such as savings, current and CDs. Can be used to meet the balance required to waive the monthly fee on some accounts.
66	<b>Commitment Fee</b>	It is an interest, which is charged on a loan applicant if he doesn't withdraw the sanctioned loan within a stipulated time period.
67	<b>Common Areas</b>	Areas such as staircase, lifts, sanitation ducts, electricity ducts, air-conditioning ducts etc. kept aside for common use by the property owners. This area is generally divided proportionately in relation to the size of property and charged accordingly.
68	<b>Compound Interest</b>	Interest which is calculated not only on the initial principal but also the accumulated interest of prior periods. The more frequently interest is compounded, the higher the effective rate. In India interest on loans and advances is compounded on monthly basis as per RBI order.
69	<b>Consolidation Loan</b>	If you owe money to several creditors, you can combine your payments and balances into a single account with one creditor. This can be done in several ways. For example, you can transfer several high interest credit card balances onto one card with a lower rate. If you own a home, you can consolidate your debt with a low-interest home equity loan. Or, you can get a loan specifically designed for this purpose.
70	<b>Contact Point Verification</b>	This refers to contact by bank staff on the phone numbers/ address provided by the customer to establish correctness of the contact points. CPV is an important parameter in banks and a negative verification can lead to decline of the banking facilities sought.



71	<b>Contract</b>	A written, oral, partly written partly oral or behavioral agreement between two or more parties or people, which is legally binding, can be termed as a contract.
72	<b>Conveyance</b>	It is the process of legally transferring the ownership of interest in land.
73	<b>Co-sign</b>	To sign a credit agreement with someone and agree to share the debt with that person or assume the debt if the other person defaults and doesn't pay.
74	<b>Co-signer (Co-obligant)</b>	A co-signer is a person who signs a loan or credit card with the primary applicant, pledging to be responsible for repaying the loan or debt in the event the applicant is unable.
75	<b>Credit Appraisal</b>	This is the process for evaluating credit worthiness of any loan proposal. This helps establish the risks involved in the proposal and debt servicing capacity of the borrower. A wide range of criteria viz. age of borrower, credit score, existing loan obligations, nature/ sources/ stability of income etc. are taken into account. Credit History of the person is an important criteria for sanction of credit.
76	<b>Credit Available</b>	The amount of unused credit that is available. Your credit available is your outstanding balance subtracted from your total credit line. For example, if your credit line is Rs 50,000 and you have an outstanding balance of Rs 40,000, your credit available is Rs 10,000, which means that you have Rs 10,000 of credit left that you can use to make purchases with your credit card.
77	<b>Credit Bureau (Credit Information Company)</b>	A credit bureau is a company that collects and shares information about how you manage your credit. Many banks and credit issuers regularly update the credit bureaus about your payment habits and how much money you owe. Potential creditors may check your credit report when you apply for a loan or a credit card. Reporting to at least one Credit Bureau is mandatory in India.
78	<b>Credit Card Debt</b>	The total unpaid balances on all of your credit cards (not to be confused with the minimum amount you owe each month).
79	<b>Credit Criteria</b>	Factors used by lenders to rate the credit worthiness or ability to repay debt. They may include the following: income, amount of personal debt carried, number of accounts from other credit sources and credit history. A lender is free to use any credit-related information in approving or denying a credit application
80	<b>Credit History</b>	A financial profile of any person created by credit rating agencies based on how he repays his bills, clears his debt and the amount a

		person owes to various credit card companies and other lenders.
81	<b>Credit Limit</b>	It is the maximum amount of money one can draw on his account based on prior sanction or approval from the bank. Borrowing or drawing limit fixed by a bank for a customer depending on his credit history, repaying capacity and relationship with bank.
82	<b>Credit Management</b>	The way you handle the money you borrow from banks or credit issuers. A good credit management will ensure optimum utilization of borrowed funds and meet repayment obligations on time.
83	<b>Credit Report</b>	A credit report is a record of all of the information that credit bureau have collected about the way you've managed your finances over the last 5 years. It is the official record of how you pay the money you owe to your creditors. The information on your report can either qualify or disqualify you from obtaining credit cards, mortgages, loans etc. An individual can obtain credit report on himself from the credit bureau on payment of a fee.
84	<b>Credit-worthy</b>	You are judged to be qualified to have credit.
85	<b>Current Account</b>	An account used for commercial purpose. It attracts no rate of interest and is generally charged by the bank with maintenance charges. There is no limit to the number of transactions in this type of account.
86	<b>Custodial Account</b>	An account created for the benefit of a minor with an adult as the custodian.
87	<b>Daily Periodic Rate</b>	The interest rate factor used to calculate the interest charges on a daily basis. The factor is computed by dividing the yearly rate by 365 days.
88	<b>Debit Card</b>	A plastic card issued by a Bank for cash withdrawal from a/c(s) through ATMs and payments at point of sale for purchases made. Debit Card denotes immediate debit to the customer's account.
89	<b>Debt</b>	An amount of money you owe to banks or credit issuers. More specifically, it is the amount of money that you have borrowed.
90	<b>Debt Ratio/Debt Burden</b>	An amount of money you owe to banks or credit issuers. It is the percentage of your income that goes to paying your debts every month. Debt ratio usually gives a clear picture of your overall financial well-being. To calculate your debt ratio, first add up all your monthly income including take-home pay (after taxes). Then add up all your monthly payments for interest bearing loans and accounts, such as mortgages, student loans, credit cards and car loans. If you rent your home, include that amount, but do not

		<p>include utilities and telephone charges because they can vary on a monthly basis. Finally, divide your monthly payments by your income. Multiply the result by 100 and that number is your debt ratio percentage.</p> <ul style="list-style-type: none"> <li>• A low ratio is under 20%, which means that you are in good financial health and are doing a good job of managing your money.</li> <li>• A moderate ratio is between 21% and 40%. This means that you should look carefully at your monthly payments and start decreasing your overall level of debt, including credit cards.</li> </ul> <p>A high debt burden is over 40%. You should immediately stop accumulating debt and start looking for ways to decrease your debt or increase your income.</p>
91	<b>Default</b>	Failure to repay a loan according to the agreed upon terms.
92	<b>Deferred Payment</b>	Payments put off to a future date or extended over a period of time. Interest will usually still accumulate during deferment.
93	<b>Delinquency</b>	When loan payments are not paid according to the terms of the agreement/promissory note. Late fees are often levied on delinquent accounts.
94	<b>Deposit</b>	Money placed in a customer's account at a Bank/Financial Institution.
95	<b>Deposit at Call</b>	Receipts issued to customers for amount deposited and repayable on demand. A facility normally extended for payment of earnest money deposits in tenders.
96	<b>Depreciation</b>	Depreciation means a decline in the value of capital asset. It represents a cost of ownership and the consumption of an asset over time.
97	<b>Detailed Statement</b>	The detailed statement of account depicts the details of the transactions in the account (ie. Loan disbursal, EMI credit, interest debit, unpaid return of EMI, penal interest debit, if any, etc.).
98	<b>Disclosure</b>	Information pertaining to the account services, fees and regulatory requirements.
99	<b>Disclosure Statement</b>	A disclosure statement details the actual cost of a loan, including all estimated interest costs and loan fees. For credit card accounts, this information may be found in the Card member Agreement.

100	<b>Disposable Income</b>	Disposable income is the amount of income left after deductions such as income tax, pension contributions and personal insurance. It is often known as 'take home pay' - the actual pay a worker receives.
101	<b>Documentation</b>	The legal or other papers to be signed and presented during the loan process. It is also called the loan papers.
102	<b>Dormant Account (In operative account)</b>	A bank account in which there have not been any transactions for two years.
103	<b>Down Payment</b>	The amount, which has to be paid by the borrower upfront while taking a loan. This amount is generally 10% -15% of the total fund required. It is also called the margin amount or margin money.
104	<b>Draft</b>	A written, signed and dated order from one Branch of a Bank to another , to pay a sum of money to a specific party.
105	<b>Drawee</b>	The person or entity on whom a draft/bill is drawn by the drawer.
106	<b>Drawer</b>	The party who draws or issues the draft/bill. In a Letter of Credit it is the Beneficiary. The person who makes or draws a bill of exchange or cheque is called drawer.
107	<b>Due Date</b>	The day a payment is due to a payee/creditor. After that date, a late fee can be charged, the payment can be recorded as late, and the account considered overdue/delinquent.
108	<b>Early Repayment Charge (Prepayment charge)</b>	Charge that banks and financial institutions levy on borrowers when they prepay the loan amount before the end of loan tenure. Early repayment charge is also called prepayment penalty.
109	<b>Electronic Clearing Service (ECS)</b>	Electronic Clearing Facility: An inter bank arrangement where by a customer can give instructions to his bank where he holds a current or savings account to pay the monthly installments of payments due on loans/credit cards held with another bank.
110	<b>Electronic Clearing Service (ECS) Credit</b>	ECS Credit is used for affording credit to a large number of beneficiaries by raising a single debit to an account, such as dividend, interest or salary payment. ECS Credit can be utilised for payments like interest / dividend etc. in the accounts maintained with other banks by another bank.
111	<b>Electronic Clearing Service (ECS) Debit</b>	ECS Debit is used for raising debits to a number of accounts of consumers/ account holders for crediting a particular institution. It is a scheme under which an account holder with a bank can

		<p>authorise an ECS user to recover an amount at a prescribed frequency by raising a debit in his account. The ECS user has to collect an authorisation, which is called ECS mandate for raising such debits. These mandates have to be endorsed by the bank branch maintaining the account.</p> <p>ECS Debit is normally used for collections, which include payment of utility bills (electricity, telephone), collection of taxes etc.</p>
112	<b>Electronic Funds Transfer (EFT)</b>	Any transfer of funds initiated by electronic means, such as an electronic terminal, telephone, computer, ATM or magnetic tape.
113	<b>EMI</b>	This refers to the Equated Monthly Installment (EMI) to be paid to the Bank towards the loan taken by the borrowers on a monthly basis. The EMI comprises of Interest and Principal component.
114	<b>EMI Due date</b>	The payment due date assigned for the loan account to recover the EMI.
115	<b>E-Payment</b>	On line payment system that facilitates payment online from the customer's account.
116	<b>Expired Card</b>	A credit card whose validity date has passed is an expired credit card.
117	<b>Fiscal Year</b>	A fiscal year is a 12-month accounting period used by any company and it does not necessarily follow the calendar year. India fiscal year is April to March.
118	<b>Fixed Deposit</b>	A deposit of funds in a bank under an agreement stipulating that the funds must be kept on deposit for a stated period of time at a predefined interest rate.
119	<b>Fixed Rate</b>	Also called the fixed interest rate, it is a fixed amount of interest, which is chargeable for a specified duration or for the entire tenure of the loan.
120	<b>Floating Rate</b>	Floating rate or variable interest rate as it is also called doesn't remain fixed for the entire tenure of the loan. It varies according to the market conditions. This rate is linked to an external, market determined benchmark e.g. LIBOR. The lending is expressed with a spread above or below the benchmark rate. Repricing takes place after a predetermined period say, 6 months when the lending rate will be revised with reference to the benchmark rate as on that day.
121	<b>Floor Limit (Credit Card)</b>	Floor limit is the maximum amount; credit card brands like Visa and MasterCard have set forth for a single transaction for specific types of merchants, outlets and branches. An authorization is

		required, usually via a phone call to exceed the floor limit.
122	<b>Foreclosure</b>	Foreclosure is a legal procedure whereby property pledged as security for a debt is sold by the lender to pay the debt in the event of default in repayment.
123	<b>Fraudulent Transaction (Credit Card)</b>	A fraudulent credit card transaction is one in which the rules and regulations are not properly followed. Generally such transactions are unauthorized by credit card holders and involve a lost, stolen, fabricated, counterfeit and fraudulent processing of a credit card.
124	<b>Guarantee</b>	A legal contract in which a person (termed as guarantor) agrees to become liable for repayment of loan taken by another person (termed as primary borrower) subject to the condition that the primary borrower must be legally bound to repay the debt.
125	<b>Half Year</b>	A period of 182 days if computed in days or six complete calendar months.
126	<b>Hire Purchase Price</b>	The total money to be paid by the hirer under the hire-purchase agreement so as to complete the purchase of vehicle/machinery/goods etc.
127	<b>Hirer</b>	The person who takes the good on hire. If you purchase a car under hire-purchase agreement with a finance company, then you become the hirer.
128	<b>Home Branch</b>	The branch where customer has opened his account after due compliance with KYC norms.
129	<b>Household Income</b>	Income from all sources including wages, commissions, bonuses, dividends and interest of the members of a family.
130	<b>Hypothecation</b>	Hypothecation is a charge that is created on movable asset as security for a debt. However, the ownership as well as possession of the asset is retained with the borrower.
131	<b>Installment Loan</b>	A loan that you promise to pay back by paying the same amount of money on a regular basis, usually monthly, for a specific period of time. (Eg: EMI loan).
132	<b>Interest</b>	Interest is the periodic amount credited/debited to a deposit/loan account by a Bank based on accepted agreed terms and conditions by the depositor and the Bank / the loanee and the Bank. Interest is calculated at a specified percentage of the principal amount.
133	<b>Interest and Principal</b>	A certificate issued for the loan confirming the details of the interest paid and principal repaid for a completed financial year.

	<b>certificate</b>	
134	<b>Interest Category</b>	<p>This refers to the interest category of the loan that was sanctioned by the Bank. The interest category is allocated by the Bank based on the customer's request.</p> <p><b>Variable (Floating)</b> The interest rates of the loans sanctioned under variable interest rate category will be changed during the tenure of the loan at specified intervals (see floating rate).</p> <p><b>Semi Fixed</b> The interest rates of the loans sanctioned under semi fixed interest rate category remains fixed for the period 'stipulated' by the Bank in the terms and conditions of the agreement and/or sanction letter. After the said period, the loan will be re-priced as agreed to specified.</p> <p><b>Fixed</b> The interest rates of the loans sanctioned under fixed interest rate category remain fixed throughout the tenure of the loan.</p>
135	<b>Interest Rate</b>	The rate paid on an interest-bearing account, such as savings and term deposit, also the rate charged on a loan or line of credit. Different types of accounts and loans pay or charge different rates of interest. Interest rate is specified in percentage term along with periodicity of calculation (say 8% per annum)
136	<b>Introductory Rate</b>	The Annual Percentage Rate (APR) applied for a specific introductory period. The intro rate is usually lower than the regular APR. After the introductory period is over the rate switches to the regular APR.
137	<b>Inward Remittances</b>	Fund received through banking channels electronically or otherwise for credit to a designated identifiable account.
138	<b>Joint account</b>	Any account owned by two or more people. Joint accounts can be operated jointly or by any one/more or survivor(s) or any other mode mandated by the accountholders. Change in the mode of operation requires the mandate of all accountholders
139	<b>Late Payment</b>	Most charge and credit card bills list the date by which payments are due. If you miss the due date, the account is considered past due and you may be charged a late fee. Late payments may be reflected on your credit report. If you have paid late numerous times, it may be difficult to get additional credit.
140	<b>Late Payment Charges (fee)</b>	When the payment towards credit card bill is missed beyond due date or monthly installment towards repayment of a loan is delayed the Card Issuing Bank / financier collects the payment / installment along with the late payment charges.

		The late payment charge is also known as the delayed payment charges or the overdue payment charges. The late payment charges are fixed at the time of signing the finance contract.
141	<b>Ledger Folio</b>	A set of 40 consecutive transactions in an account.
142	<b>Legal Checks (Scrutiny of Title Deeds)</b>	Before disbursement of a Home loan or loan against any property, usually the bank conducts a legal check on the property being offered as collateral. It involves screening all the documents etc related to the property. This is done to ensure that the property in question has a clear title.
143	<b>Legal Judgment</b>	A court verdict that requires a person to do something, such as pay a debt.
144	<b>Liability</b>	Liability is the responsibility for a loan or credit account. When applying for credit, a borrower agrees to be liable for any charges to his or her account, including interest, fees and finance charges. The liabilities are resources (sources of funds) which the business mobilizes to acquire assets for running income. Like assets, liabilities may also be of long term nature or short term nature.
145	<b>Linked account</b>	Any account linked to another account at the same financial institution so that funds may be transferred electronically between accounts, and, in some cases, the combined balance may be used to help meet the balance required to waive a monthly service charge on one of the accounts.
146	<b>Loan Agreement</b>	It is a written contract between the borrower and the bank or financial institution providing the loan. The loan agreement details the various aspects and terms and condition of the loan. The borrower must read the loan agreement carefully as once he enters into a legal contract with the bank by signing the loan agreement, the terms become binding.
147	<b>Loan Disbursement</b>	This is the second stage of the loan processing. Post sanction of the loan, the Bank conducts necessary verification and validation as per its credit criteria. The disbursement will be done on meeting the credit criteria set by the Bank.
148	<b>Loan Sanction</b>	This is the first stage of the loan processing. The 'Loan Sanction letter' (Arrangement letter) is a confirmation to the customer on the sanction of the loan facility. (see credit appraisal).
149	<b>Mandate</b>	The beneficiary communicates to the ECS user the details of his/her bank branch and account particulars. Such authorisation form is called a mandate. The beneficiary has to furnish a mandate



		giving his consent to avail of the ECS facility. It is a letter of authority given by an account holder to his banker to allow certain named person to operate his/her account on his/her behalf.
150	<b>Margin Amount</b>	Margin Amount is the difference between the total cost of a project and the sanctioned loan amount.
151	<b>Market Value</b>	The value or price of the property prevailing in the market.
152	<b>Marketable Title</b>	The title of a property, which is clear, and the owner of the property have proper authority and rights to transfer the same.
153	<b>Maturity Date</b>	Maturity date in respect of a fixed deposit account is the date on which the proceeds will become liable for payment by the Bank.
154	<b>MICR Code</b>	A unique 9-digit code assigned to each Bank branch by Reserve Bank of India to facilitate sorting in clearing of instruments using the Magnetic Ink Character Recognition Technology.
155	<b>Minimum Amount Due/Minimum Payment</b>	The smallest amounts you can pay by the due date and still meet the terms of your card agreement.
156	<b>Minimum daily balance</b>	The lowest end-of-day balance in an account during a statement cycle. It is often required to be kept in an account each day to earn interest, avoid a service charge or qualify for special services. (also see average daily balance)
157	<b>Money Laundering</b>	Money laundering means acquiring, owning, possessing or transferring any proceeds (or money) of crime or knowingly entering into any transaction related to proceeds of the crime either directly or indirectly or concealing or aiding in the concealment of the proceeds or gains of crime, within or outside India. It is a process for conversion of money obtained illegally to appear to have originated from legitimate sources.
158	<b>Money Order</b>	A financial instrument, issued by a bank or other institutions like post office, allowing the individual named on the order to receive a specified amount of cash on demand. Often used by people who do not have saving accounts.
159	<b>Monopoly</b>	Monopoly is a form of market structure where there is solely one company that provides a particular product or service, dominating that market and generally exerting powerful control over it.
160	<b>Monthly</b>	A monthly report prepared by a lender about the transaction

	<b>Statement</b>	carried on a particular loan account, outstanding balances, current balances, fees and other charges, minimum payments, (if applicable) and other details. This written document is mailed to the borrower.
161	<b>Mortgage</b>	Mortgage is a written constructive pledge of property that is used as security for the repayment of a loan.
162	<b>Multicity Cheque</b>	Cheque issued by a customer under a pre - approved arrangement with the Bank whereby the Bank agrees to pay them at designated centres and branches in the country.
163	<b>National Clearing Cheque</b>	Those cheque that are drawn on other banks and payable at major cities of the country (as Per RBI list of centres participating in national clearing) are called as National Clearing Cheque.
164	<b>National Electronic Funds Transfer (NEFT)</b>	An Electronic Payment System in which payment instructions between banks are processed and settled on deferred net settlement (DNS) basis, which settles transactions in batches at fixed times during the day. RBI acts as the service provider and transfers the credit to the other bank's account. Customer can send funds from any bank branch to other bank-branches, which have IFS Code, and joined in NEFT network. NEFT is enabled only in specific bank branches across India. A list of these branches is available in the RBI website.
165	<b>Net Worth</b>	Net worth is equal to all that you own less all that you owe. It is the total of all assets minus the total liabilities of an individual or company.
166	<b>No Dues/ No Objection Certificate</b>	A certificate issued on closure of the Loan/Overdraft account, where the Bank affirms that the dues have been paid towards loan/overdraft facility and also a confirmation that the Bank has no objection in releasing the charge on the security or other banks considering sanction of loan to the person concerned.
167	<b>Nomination facility</b>	Section 45zA of the Banking Regulations Act, 1949 provides that a depositor or depositors of a banking company may nominate one person to receive the deposit in the event of the death of the depositor(s). Nomination facility is also provided for articles in safe custody with banks and in safe deposit lockers.
168	<b>Non-bank ATM (white labelled ATM)</b>	An ATM or cash machine that does not prominently display a bank's name or logo. Fees generally apply to cash withdrawals at non-bank ATMs. Non-bank ATMs generally do not accept deposits. In India Non-banks ATMs are not permitted

169	<b>Non-Home Branch</b>	The other networked branches of a Bank under the Core Banking system that facilitate conducting of transactions to a customer having his account with a 'Home' branch.
170	<b>Non-performing Assets (NPA)</b>	Any loan account that has been classified by a bank or financial institution as sub-standard, doubtful or loss assets in terms of asset classification norms of RBI.
171	<b>Non-taxable Income</b>	Money you earn that is not taxed by the Government. This money can come from several sources including disability pay or legal settlements due to personal injury.
172	<b>Obligation of the Borrower</b>	The things, which a borrower has to take, care of after taking the loan. These include proper repayment, providing the banks with post-dated cheque and following the terms written in the loan agreement carefully.
173	<b>Online Banking</b>	A service that allows the account holder to access their account information and conduct a set of pre defined banking transactions, such as bill payment, fund transfer using the Internet facility. However, a customer needs to have Customer ID and a unique Net Banking Password in order to undertake this facility.
174	<b>Outstanding Balance</b>	The total amount that you owe on a credit card or other loan.
175	<b>Outstanding Cheque</b>	Outstanding cheque is issued by the company but not yet cleared by the bank. In preparing the bank reconciliation, it is deducted from the bank balance. The exception is an uncleared Certified cheque, which is not considered outstanding since both parties, the company and the bank, know about it and have subtracted it.
176	<b>Outstation Cheque</b>	Cheque deposited by the customer of a branch for credit to his/her account and not payable at Local clearing at the centre where the branch is situated.
177	<b>Outward Remittances</b>	Remittance of funds from the account maintained by a customer or separately on his instructions to another account with the same bank or another banks in the manner indicated by the customer (Demand drafts, electronic funds transfer, telegraphic transfers etc.). Banks may levy service charges for affecting the remittances.
178	<b>Over the Credit Limit (Credit Card)</b>	When the amount you owe is more than the limit on your credit line. Any combination of purchases, cash advances, fees or finance charges may cause you to exceed your credit limit. For example, you will be over the credit limit if you spend Rs. 20,000 when you have Rs. 10,000 of your credit line left. If you go

		over your credit limit, you will be charged an extra fee each month until the amount of money you owe is less than or equal to your credit line.
179	<b>Overdraft</b>	An overdraft occurs when you do not have enough available funds in your account to cover a cheque or other withdrawal, but the bank pays the items and overdraws your account.
180	<b>Overdraft Protection</b>	A service that allows a account to be linked to another account that helps provide protection against returned items or overdrafts. When your checking account does not have sufficient available funds to cover a cheque, funds are automatically transferred from the available balance in the linked account to cover the cheque. Choices can include using a savings account, credit card or a line of credit account as the linked account to provide protection.
181	<b>Overlimit Fees</b>	Whenever a credit card holder crosses his credit limits an overlimit fees is charged on his account.
182	<b>Part-prepayment</b>	Making Partial prepayment towards the Principal of the loan account.
183	<b>Part-prepayment fee</b>	The quantum of charges levied at the time of Part pre-payment.
184	<b>Passbook</b>	Book issued by a bank or financial institutions to record deposits, withdrawals, and interest earned in a savings account.
185	<b>Past Due</b>	The status of an account when the minimum payment has not been received by the due date.
186	<b>Payee (Drawee)</b>	The person who receives a payment. This often applies to cheque. If you receive a cheque you are the payee and the person or company who wrote the cheque is the payer or drawer.
187	<b>Payer (Drawer)</b>	The person who makes a payment. This often applies to cheque. If you write a cheque you are the payer and the recipient of the cheque is the payee.
188	<b>Penal interest</b>	Additional interest, over and above the contracted rate, that is levied by lenders on amounts that remain unpaid beyond the due date and / or non-adherence to the terms of sanction.
189	<b>Penalty on Premature Withdrawal of Fixed Deposit</b>	It is a penalty on the premature breakage of a Fixed Deposit. If a customer keeps a deposit with a bank for a fixed tenure and in the event of the depositor withdrawing the deposit before the due maturity date, the banks can charge a Penalty sum on premature withdrawal.
190	<b>Periodic Rate</b>	The interest rate described in relation to a specific amount of time.

		For example, the monthly periodic rate is the cost of credit per month; the daily periodic rate is the cost of credit per day.
191	<b>Personal Identification Number (PIN)</b>	Personal identification number (PIN) is a secret number given to an account holder to be used when they put their credit card or cash card into an automatic teller machine (ATM). If the number they use is correct they will be allowed to access their account.
192	<b>Plinth area</b>	The external area of the whole building including the balconies but excluding the common area in apartment blocks, commercial buildings and spaces.
193	<b>Point Of Sale (POS)</b>	Point of Sale refers to the location at which a payment of a card transaction occurs, usually by way of a device such as a credit card terminal or cash register.
194	<b>Post Dated Cheque (PDCs) Mode of Repayment</b>	A payment mode wherein the customer provides Post Dated Cheque (PDCs) for the repayment of the loan dues.
195	<b>Postal Charges</b>	Charges for dispatch of instruments for collection/remittances on behalf of a customer. Normally postal charges are recovered from instrument on actual basis.
196	<b>Posting Date</b>	The date that a purchase, cash advance, fee, service charge or payment is recorded on your charge or credit account.
197	<b>Power of Attorney</b>	It is an instrument of law empowering a specified person or persons to act for and in the name of the person executing it. The person for whom the act is done or who is so represented is called principal. The person who is so authorized to do or represent is called agent. It may be either notarized or registered depending on the transaction.
198	<b>Pre-Approved Credit</b>	Credit card or a line of credit that is approved based upon available data without further information supplied by the potential Card member.
199	<b>Pre-Closure</b>	Closure of the loan account prior to the tenure fixed for the account.
200	<b>Prepayment</b>	When a portion or the entire amount of the principal of a loan is paid before it is due.
201	<b>Previous Balance</b>	The total balance due at the end of the last billing cycle.

202	<b>Prime Lending Rate</b>	The minimum short-term interest rate charged by commercial banks to their most creditworthy clients. It is a reference interest rate used by banks for its lending purposes. <b>Note: The Benchmark Prime Lending Rate (BPLR) used by banks for loan pricing till June 30, 2010 was different from this as BPLR was a reference rate based on average cost).</b>
203	<b>Prime Rate</b>	The Prime Rate is the rate on which each bank fixes its own prime lending rate for advances.
204	<b>Principal Outstanding</b>	The balance principal amount in the loan (i.e. Loan amount disbursed less Principal repaid till date) taken from the Bank.
205	<b>Processing Date (card transaction)</b>	It is the date on which the transaction is processed by the acquiring bank.
206	<b>Processing Fee</b>	The charges collected by the Bank to process the customer's loan application.
207	<b>Promissory Note</b>	A promissory note is a binding legal document that a borrower signs to obtain a loan. It lists your rights and responsibilities under the loan agreement, including how and when the loan must be repaid. Rights and responsibilities for credit card accounts are listed in the Card member Agreement.
208	<b>Property Tax</b>	The tax levied by local corporations, municipal bodies on a property. This tax has to be paid by the legal owner of the property.
209	<b>Provisional Interest and Principal Certificate</b>	A certificate issued informing the 'projected' interest payment and principal repayment for the loan account for the upcoming financial year based on the current financial year. This helps borrower in tax planning.
210	<b>Real Time Gross Settlement (RTGS)</b>	RTGS is a system through which electronic instructions can be given by banks to transfer funds from their account to the account of another bank. The RTGS system is maintained and operated by the RBI and provides a means of efficient and faster funds transfer among banks facilitating their financial operations. As the name suggests, funds transfer between banks takes place on a 'real time' basis. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours.
211	<b>Recurring Billing</b>	In recurring billing the credit card holder authorizes a merchant or vendor to charge his credit card on a regular basis.
212	<b>Reference</b>	A person who can vouch for your reliability, employment history

		or other factor needed to determine your creditworthiness/employability.
213	<b>Refinancing</b>	Repayment of existing loan by a fresh loan, usually on better terms and conditions. In case of loans secured through mortgage of property etc., the same asset is taken over as security. Banks also refinance their loans to certain category of borrowers through specified refining agencies which provide refinance with matching repayment schedule.
214	<b>Repayment</b>	The process of returning of the borrowed loan amount. The repayment has to be made for the entire tenure of the loan amount. Based on fixed or floating interest rates on the loan amount, the banks or financial institution decides on an EMI which has to be paid on or before a date mentioned in the loan agreement every month.
215	<b>Repayment Holiday / Moratorium period</b>	A specified period of time during which recovery of loan remains suspended under a mutual agreement between the lender and the borrower. Interest continues to be charged on the loan during this period.
216	<b>Repayment Mode</b>	It refers to the payment instruction given by the customer for the repayment of the loan dues. Cash, cheque, ECS and other electronic channels are the primary payment modes.
217	<b>Repayment Schedule (amortization schedule)</b>	The repayment schedule provides the details of the interest and principal components of the EMIs payable by the customer on a monthly basis.
218	<b>Repo Rate</b>	Repo Rate is the interest rate for secured overnight or short term financing involving the sale and repurchase of securities. It is basically the rate at which RBI lends to commercial banks for meeting the short term deficits. RBI varies Repo rate from time to time to achieve its monetary policy objectives.
219	<b>Rests</b>	Rests refers to the length of time between the dates on which the interest (on loans and deposits) is compounded. Eg: monthly, quarterly, half-yearly, yearly.
220	<b>Returned Cheque</b>	When you do not have enough available funds in your account (including any overdraft protection transfer from another account) to cover a cheque, the bank may decide not to pay the cheque and to return it to the payee. A returned item fee may be charged to your account.

221	<b>Revalidation</b>	Duly authenticated extension of the validity period for negotiation/payment of cheque/draft or a negotiable instrument.
222	<b>Reverse Mortgage</b>	A financial product, which provides senior citizens with funds against their home equity. Senior citizens can get a regular amount monthly, quarterly or as a lump sum. They can live in their homes for their lifetime and after that banks can recover the amount by selling the property or if the heirs of the property want they can claim it by repaying the dues to the bank.
223	<b>Revolving Credit</b>	A credit agreement that allows consumers to pay all or part of the outstanding balance on a loan or credit card. As credit is paid off, it becomes available again to use for another purchase or cash advance.
224	<b>Reward Points (Cards)</b>	A loyalty scheme that supplies benefits based upon the card's usage. Benefits are usually in the form of points that can be redeemed for gift vouchers, gift items or services, such as airline tickets, discounts on purchases or cash refunds. The credits accumulated toward these benefits are often a percentage of each purchase.
225	<b>Safe Custody</b>	Documents and articles placed with the Bank for safe keeping under mutually agreed terms and conditions and payment of fee/rent on a regular basis.
226	<b>Sale deed</b>	It is a legal document, which transfers the ownership of the property or objects for a mentioned price. Every sale deed has to be registered with appropriate authority.
227	<b>Savings Account</b>	An account maintained by a customer with a bank for the purpose of accumulating funds over a period of time. Only the account owner or a duly authorized agent may withdraw funds deposited in a savings account. It attracts a modest rate of interest, which is fixed by RBI and is considerably lower than the rates applicable on the Fixed Deposits. There is generally a limit on the number of transactions that can be done without attracting a charge.
229	<b>Secured Card</b>	A credit card that is guaranteed by a cash deposit held in a special savings account or certificate of deposit. The deposit must remain in the account until the credit line is closed or the issuer decides security is no longer necessary. The credit line on the card is usually equal to the amount of the deposit. If the Card member defaults on the card, the issuer will apply the deposit toward the outstanding balance.
229	<b>Secured Debt</b>	Debt for which repayment is guaranteed through collateral property of equal or greater value than the amount of the loan. If



		you do not repay the loan, the issuer may take possession of the collateral. Collateral may be an asset such as a car or a home or, in the case of a secured credit card, a cash deposit held by the issuer. For example, a mortgage is a secured debt in which the home is collateral. If the person fails to repay the loan, the bank may take the home as payment.
230	<b>Security Documents</b>	This refers to the list of original documents to be collected from the customer towards the security of the loan amount sanctioned/disbursed
231	<b>Service Charges</b>	Charges levied by a Bank for providing various banking services. (The Tariff Schedule for commonly availed banking services is displayed on the Branch Notice Board and on the Bank's Website.)
232	<b>Simple Interest</b>	Simple interest is calculated solely as a percentage of the principal sum from the date of the availment to the date of repayment (also see compound interest).
233	<b>Stamp Duty</b>	It is the duty to be paid to appropriate authority on the different documents used in the loan process. Stamp duty varies from state to state and the stamp duty should be adequate enough so as to make the documents valid and enforceable.
234	<b>Standing Instruction</b>	Signed instructions given by a customer to his/her Bank to make regular transfer of funds for specified purposes and valid for the period indicated by the customer until the instruction is withdrawn.
235	<b>Statutory Liquidity Ratio (SLR)</b>	SLR is the portion that banks need to invest in the form of cash, gold or government approved securities. The quantum is specified as some percentage of the total demand and time liabilities of the bank and is set by the Reserve Bank of India (also see Cash Reserve Ratio).
236	<b>Stop Payment</b>	When you ask a bank not to pay a cheque or payment you have written or authorized. Stop payments are generally placed on lost or stolen cheques or on cheques related to disputed purchases. Banks usually levy charges for registering stop payment instructions.
237	<b>Stored-Value Card</b>	Stored-value card is a special type of credit card, which has a stored money value. Stored value card can be reloadable, in which case more money can be added to the stored value card and can be reused.
238	<b>Surcharge</b>	Surcharge is an additional charge imposed for a specific service, product or purpose. It is a fee charged on a card transaction by the

		acceptor to cover the additional cost of taking a card rather than cash or cheque.
239	<b>Taxable Income</b>	Any money you earn or receive - such as salary, bonuses or interest from investments - that can be taxed by the government. Taxable income is the Total Income net of permissible deductions.
240	<b>Tenure of the Loan</b>	The repayment period assigned for the account. Total Tenure - The period for which the loan has been granted Balance Tenure - The balance period for which the EMIs need to be paid. Personal loans, car loans, education loans have shorter tenures as compared to home loans. Some banks and financial institutions extend the loan tenure for an extra fee or a slight increase in interest rates.
241	<b>Tenure of Fixed Deposit</b>	It is the period for which a customer deposits a sum of amount with a Bank. This tenure is generally fixed and the customer cannot withdraw his deposit before the tenure expires. The amount can be withdrawn before the fixed tenure by paying pre-payment penalty.
242	<b>Time deposit</b>	An account for a fixed term with the understanding that the funds will remain on deposit until the end of the term. Penalties for early withdrawals may apply.
243	<b>Transaction Account Linked Home Loans</b>	A special home loan that allows the customer to link a transaction account to his/her loan account. The interest is then calculated periodically on the loan outstanding <i>less</i> balance maintained in the transaction account. These loans help the customer reduce their interest payment by parking their extra liquidity in the linked account. Majority of the Home Loan players today offer this product under different names.
244	<b>Transaction Date</b>	The date a purchase is made or cash is withdrawn. Some companies assess interest from the transaction date, others from the posting date. (See processing date)
245	<b>Transaction Fee</b>	An extra charge for various credit activities such as using an ATM or receiving a cash advance.
246	<b>Transfer of funds</b>	A movement of funds from one account to another.
247	<b>Travelers cheque</b>	Travellers' cheque - are issued through banks acting as sales agents, or sold directly to the public. The purchaser pays for the cheque in advance, and signs them twice - once when ordering the cheque and once when cashing them. The cheques are payable by the issuing company, sold in numerous foreign currencies, and are insured against loss or theft

248	<b>Uncollected funds</b>	Refers to items deposited in an account that have not yet been collected, or paid, by the bank on which they were drawn
249	<b>Unsecured Debt</b>	<p>This is debt that is not guaranteed by collateral; therefore, no assets are committed in the event of default. If the issuer is unable to collect on the loan, its value is lost. Most credit cards are unsecured.</p> <p>(As the Card member's promise is the only guarantee, credit card issuers require more information regarding income and credit history than with a secured loan.)</p> <p>A loan where no collateral or security is given or charged to the lender. Unsecured lending is viewed as higher risk than secured lending and interest rates are generally higher to reflect this.</p>
250	<b>Valuation</b>	Before disbursement of a loan against a property, usually the bank conducts a valuation check on the property being offered as collateral. This is done to find out the market value of the property. The value of the property will be a factor considered while granting the loan.
251	<b>Variable Expenses</b>	Variable expenses are those that can change from month to month. Variable expenses include necessities that can be reduced (such as food and utilities) and non-essentials that could be eliminated (e.g., long distance telecall charges, cable, magazine subscriptions, etc). Reducing these expenses is the simplest step in getting control of your finances.
252	<b>Variable Interest Rate</b>	<p>An interest rate that is not fixed but can vary within a pre-fixed band by the loan-issuing bank. For example some credit card issuers charge variable Interest rate on the outstanding un-paid balance depending upon the credit score or credit behavior/payment pattern of the customer.</p> <p>An interest rate that is not fixed but can vary within a pre-fixed band by the loan-issuing bank. For example some credit card issuers charge variable Interest rate on the outstanding un-paid balance depending upon the credit score or credit behavior/payment pattern of the customer. (See floating rates)</p>
253	<b>Wire transfer</b>	An electronic payment service for transferring funds by wire (for example, through the Federal Reserve Wire Network or the Clearing House Inter Bank Payments System).
254	<b>Withdrawal</b>	A removal of funds from an account.
255	<b>Zero Balance</b>	Zero balance is when the total outstanding balance is paid and there are no new charges or cash advances during a billing cycle.

256	<b>Zero Liability Protection</b>	A bank guarantee. If your card is lost or stolen, you may not be responsible for unauthorized purchases made with your card if you report the theft promptly. The Zero Liability Protection program is free and automatically available on all bank consumer credit cards.
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