



## NATIONAL DEVELOPMENT BANK LIMITED

### LENDING PRODUCTS

#### *Agricultural Loans Frequently Asked Questions*

Here's the most common questions our customers ask us about our range of loans. It's important to us that we answer all your questions so you feel comfortable with any decisions you make. If you have a question that we haven't covered here, please email us at [loanenquires@ndb.com.pg](mailto:loanenquires@ndb.com.pg).

- Who can borrow money?
- How much can I borrow
- How much contribution do I need?
- For what purposes can I borrow money?
- Will the Bank require property valuation?
- What sort of fees or Charges will apply to my business loan?

#### **Repayments**

- How can I make repayments on my loan?
- When do payments start?
- How early can I repay my loan?
- Can I pay extra each month?
- Can I payout my loan at any time?
- How can I make my monthly payments?

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#### **Who can Borrow money?**

A citizen of Papua New Guinea who is over the age of 18 years and has the will to be self-employed and at the same time provide employment for his relatives and fellow Papua New Guineans for a better living standards.

#### **How much can I borrow?**

The amount of the loan to borrow is dependant on the level of Contribution you can offer towards purchasing the items or goods & service for the loan is sought. The Bank encourages its potential and existing customers to participate in the purchase of the items being financed by the Bank, hence the application of contribution from the Applicant.

- **How much contribution do I need?**



Applicants are required to contribute from 30% to 40% (cash) towards the purchase of the item. The Bank may vary this requirement on a case-by-case basis where other considerations are taken into account.

- **For what purposes can I borrow money?**

You can borrow to establish a sustainable income generating project that would ensure you would be able to pay the loan back, meet the operational requirements of the project/business at the same time use part of the earnings for your day to day requirements and or invest for future use.

As National Development Bank Limited focus is to assist Papua New Guinea's rural population, a number of Loan Scheme's managed via Micro-finance Credit Schemes have been adopted to assist grassroots people.

- **Will the Bank require proper valuation for items offered as security?**

Yes, and applies to properties that have a land title either a State Lease tile or an Agricultural Lease, Business Lease which are registered with Department of Lands & Physical Planning.

All land that is Government owned throughout Papua New Guinea are recorded and given Title Descriptions by the Department of Lands.

- **What sort of fees or Charges will apply to my business loan?**

A non-refundable Application fee (being 0.75% of the loan amount sought) apply for applications that have been assessed and deemed to meet the Bank's lending guidelines and submitted to the Lending Division for consideration/approval.

Establishment fee including stamp duty applying on the Bank loan documents also apply is payable by the Applicant/Borrower.

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## Repayments

- **How can I make repayments on my loan?**

You can make your loan repayments by making self deposits at your local National Development Bank or via a periodical payment authority (Form is available at the Bank or can be obtained from your local Commercial Bank) who will make direct payment to loan account with this Bank).

- **When do payments start?**



*Haus Mani Bilang Yuni*

The loan payments commences one month after the loan has been funded or drawn in full. If you request for longer period before the first payment commences (is allowable on case-by-case basis) the Bank has the ability to assist in this arrangement.

- **How early can I repay my loan?**

You can pay the loan back agreed to between the Bank and you or at your own accord. Some customers prefer to pay over and above the agreed monthly payment in order to have the loan repaid in full earlier. Please note that if the loan is fully paid at your own accord interest rebate will not apply and the additional payment is taken as permanent reduction of the loan. Bank reserves the right to refuse re-draw of the additional payment received.

- **Can I pay extra each month?**

In the same manner mentioned above.

- **Can I payout my loan at any time?**

Yes, however, we recommend that the loan repaid at the agreed terms repayments to assist you with your cash-flow requirements and also preserve your profits for other investment opportunities or use the funds to expand your business premises, etc.