

Personal Financing 101

A loan can empower you to achieve your goals and dreams. Here are some common milestones in life that may require personal financing to achieve:



Education



Travelling



Weddings



Homeownership

In order to execute significant milestones in your life, you sometimes need large amounts of money. Personal Loans are one way of financing such important milestones. Here is some key information for you to keep in mind when obtaining a loan.

Know If Your Financials Are Tight- DSR Your DSR or Debit Service Ratio is the amount you have to pay in loan repayment on a monthly basis versus your total monthly income, expressed as a percentage....[Read more below](#)

Rate Type – Interest rates on loans can be fixed, floating or floating with fixed installments. Fixed rates means that your rate will be constant for the term of the loan; meaning that changes in interest rates whether positive or negative, will not affect you...[Read more below](#)

CRIB Reporting –The CRIB (Credit Information Bureau of Sri Lanka) is an organization set up by the Central Bank and Finance ministry of Sri Lanka to collect and collate, credit and financial information on borrowers of lending institutions...[Read more below](#)

Transfer Your Salary To The Bank - Transferring your salary directly to the bank gives you many advantages - mainly not having to worry about loan payments as they will be automatically deducted and ensuring that you do not fall into arrears that will be reported in the CRIB...[Read more below](#)

Settlement Support

To avoid all these problems, it is important to plan and never stretch yourself beyond healthy limits. Being conscious and regular with your payments will ensure that you can reap the full power and potential that personal financing can offer you as a tool to build the life of your dreams. Always remember though, if things ever get out of control, facing the problem head on and as early as possible is the best way to get control back and we at Nations Trust Bank are always here to help. In the event you have difficulty making payments, don't avoid the bank. Speak to us and we can help you navigate a difficult financial situation. Options you may have are:

Debt Consolidation – Combining various facilities into one single facility with more favourable rates and terms, so it is more convenient for you to meet your obligations.

Rescheduling/Restructuring – The tenor and rates of the existing facility can be revised so that it is easier for you to meet your monthly payments.

Know If Your Financials Are Tight- DSR [Continued from above...](#) It's used globally to measure your immediate ability to service debt. Keeping this number below 60% is essential. Anything beyond 60% means your financials are stretched, subject to your lifestyle. Keeping this number low will ensure that you are free to live life comfortably and service your debts with ease.

Rate Type – [Continued from above..](#) Floating rates are rates that will vary with market rates, so your repayment installments will be positively or negatively affected by changes in interest rates. Floating rates with fixed installments is a special benefit that we offer and allows your monthly installment to remain fixed and constant regardless of interest rate fluctuations. However, depending on whether the rate increases or decreases, the tenor or your loan will also either increase or decrease.

CRIB Reporting – [Continued from above..](#) All the financial institutes are liable to report to the CRIB about their customers' financial performance monthly. If you are in arrears for even a single day, it gets reported in the CRIB where your individual CRIB report is maintained for 24 months. All lending institutions can access your CRIB report when you apply for a facility and any bad performance history in CRIB will reduce your creditworthiness and the likelihood of granting you a new facility. It is really important for you to keep a clean track record in your CRIB report.

Transfer Your Salary To The Bank – [Continued from above..](#) In addition to this, future assessments by the bank will be much faster, resulting in dramatically reduced turn-around times. Also, by transferring your salary directly to the bank you will be eligible to numerous benefits such as lower rates, fee waivers and access to our Inner Circle membership if you meet the requirements. Cash deposit for loan repayments is not at all recommended.

When seeking personal financing always remember that Nations Trust Bank is your friend and we're looking out for your best interests. Contact us on 011-4711411