

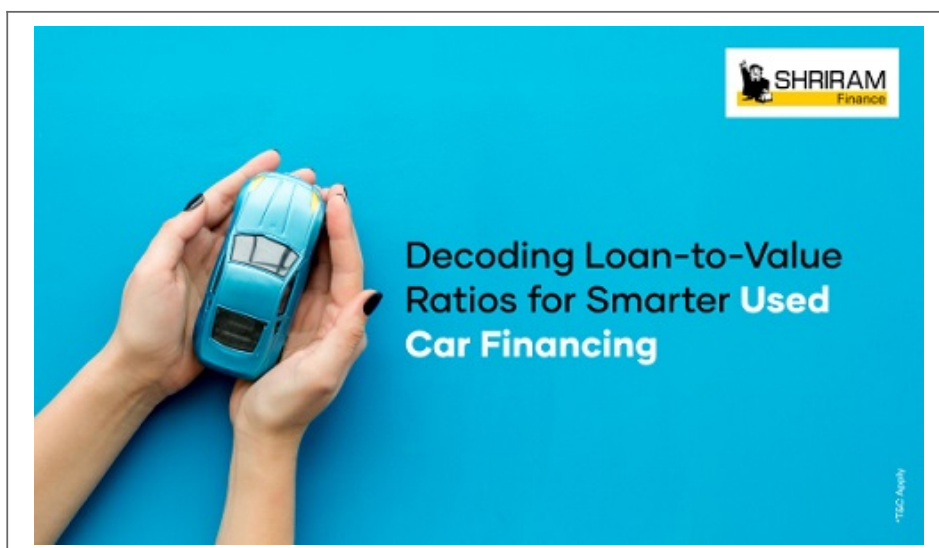
Decoding Loan-to-Value Ratios for Smarter Used Car Financing

Category: Business

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In the evolving landscape of [used car financing](#), understanding the Loan-to-Value (LTV) ratio is crucial for potential buyers. The LTV ratio represents the percentage of a vehicle's value that a lender is willing to finance through a loan. Most financial institutions these days offer a high LTV ratio, ensuring borrowers can select their favourite vehicle model, without funds being an impediment.



Decoding LTV Ratios for Used Car Financing

Shriram Finance, one of the topmost NBFCs (Non-Banking Financial Company) in India, offers a handsome LTV ratio to prospective borrowers, helping them take a step closer to the purchase of their desired car.

Understanding LTV Ratios

The LTV ratio is a financial metric that expresses the loan amount as a percentage of the assets value. In the context of used car financing, it represents the loan amount as a percentage of the cars appraised value. A higher LTV ratio indicates a larger loan amount relative to the cars value, while a lower LTV ratio implies a smaller loan amount.

Key Implications of LTV Ratios in Used Car Financing

Here are a few things regarding the LTV ratio that applicants of a used car loan must keep in their minds:

- **Down Payment:** A higher LTV ratio typically necessitates a smaller down payment.
- **Interest Rates:** A lower LTV ratio, indicating a lower risk for the lender, may lead to more favourable interest rates.
- **Loan Terms:** Lenders may impose stricter loan terms, such as shorter repayment periods, for higher LTV loans.

Strategies to Improve Your LTV Ratio

To enhance your chances of securing favourable loan terms, consider the following strategies:

- **Increase Your Down Payment:** A larger down payment reduces the loan amount and subsequently lowers your LTV.
- **Choose Wisely:** Opt for vehicles that hold their value

well over time.

- **Improve Your Credit Score:** A higher credit score, typically 700+, can lead to better financing options and lower interest rates.

Features and Benefits of Shriram Used Car Loan

Shriram Finance offers tailored financing solutions for customers looking to purchase used cars. The company's Used Car Loan product is designed with customer convenience in mind, providing various features and benefits that make it an attractive option for buyers.

- **Competitive Interest Rates:** Shriram Finance offers competitive interest rates starting from just 10%* p.a.
- **Flexible Repayment:** With repayment tenures of up to 48 months*, Shriram Finance allows borrowers to choose a plan that best fits their financial situation.
- **High Financing Amounts:** Customers can finance up to 85%* of the [used cars value based on eligibility criteria](#).
- **Seamless Application:** Prospective borrowers can complete their applications online in just a few clicks, making it accessible for everyone.
- **Minimal Documentation:** Shriram Finance streamlines the loan approval process by requiring minimal paperwork.
- **Timely Notifications:** To ensure borrowers stay on track with their payments, Shriram Finance provides regular reminders, helping them prevent missed payments
- **EMI Calculator:** The availability of an online EMI calculator allows potential borrowers to estimate their monthly payments easily.

Conclusion

Shriram Finance can be your partner in driving your dream. With competitive rates, flexible terms, and a hassle-free application process, the company has made car financing a breeze. Understanding LTV ratios is key to maximising your purchasing power, and Shriram Finance empowers you to secure the best deals and drive away in style.

****Above mentioned rates and tenure are as per the company's Digital Used Car Loan Policy***

About Shriram Finance

[Shriram Finance](#) is a leading diversified financial services company in India, offering a wide range of financial products and services across consumer, wholesale, and business finance segments. The company has a strong presence pan India with a network of 3,196 branches and an employee strength of 79,405 with an AUM of Rs. 254,469 crores. With a focus on financial inclusion and customer-centricity, Shriram Finance continues to empower individuals and businesses to achieve their financial goals.

