

AIMS COLLEGE OF BUSINESS AND IT
(PVT) LTD

STAFF LOAN POLICY



A staff loan policy is a set of guidelines and procedures that outline how employees can apply for and receive loans from their employer. This policy typically includes information on eligibility criteria, loan amounts, repayment terms, interest rates, and the application process.

AIMS staff loan policy:

1. Eligibility:

- a. Only permanent employees who have completed a minimum of two years of service are eligible to apply for a staff loan.
- b. Employees must have a satisfactory performance record and no outstanding disciplinary actions.

2. Loan Amount:

- a. The maximum loan amount that an employee can apply for is determined based on their salary and length of service.
- b. The loan amount cannot exceed 50% of the employee's annual salary.

3. Repayment Terms:

- a. The loan must be repaid through monthly installments deducted from the employee's salary.
- b. The maximum repayment period is 24 months.
- c. Employees can choose to repay the loan in a shorter period if desired.

4. Interest Rates:

- a. The interest rate for staff loans is determined by the company and may vary based on market conditions.
- b. The interest rate will be communicated to employees at the time of loan approval.

5. Application Process:

- a. Employees must complete a loan application form, which includes personal and financial information.
- b. The loan application must be submitted to the HR department for review.

c. The HR department will evaluate the application based on eligibility criteria and the employee's creditworthiness.

d. If approved, the employee will be notified of the loan amount, repayment terms, and interest rate.

e. The loan agreement must be signed by both the employee and the company before the loan is disbursed.

6. Loan Disbursement:

a. Once the loan agreement is signed, the loan amount will be disbursed to the employee's designated bank account within a specified timeframe.

7. Loan Repayment:

a. Monthly loan repayments will be automatically deducted from the employee's salary.

b. If an employee leaves the company before repaying the loan in full, the outstanding balance will be deducted from their final salary.

8. Loan Default:

a. Failure to make loan repayments on time may result in penalties, such as additional interest charges or legal action.

b. Employees are encouraged to communicate with the HR department if they are facing financial difficulties to explore possible solutions.