

# How Can You Take A Tractor Loan To Grow Your Business?



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The tractor is an essential item of agriculture activity and even farming. The tractor is handy to transfer the farm produce items into the market. It even helps in the supply of transporting materials. Therefore, a [tractor loan](#) or the agriculture loan can help you grow in the agriculture business and positively impact the country's economy. One can get the tractor loan from the loan provider, but it can even be available in customization form, which will benefit the business.

## **Definition of tractor loan**

It comes under an agriculture loan, and any individual will apply to the group and individual. Therefore, one can repay the entire group individually, even if there is a single individual in the group. It is a loan that will follow the EMI option schedule. It is a secured loan, almost a vehicle loan; if there is a default in loan repayment, then the loan financier will take back the tractor to recover the money.

## **Tractor loan-eligibility criteria**

From lender to lender, the eligibility criteria may vary, but there are standards and requirements one can mention are like:

- Citizen of the country
- Age must be above 18 years
- No credit score or minus credit score
- A business organization or individual can apply for a loan
- The specific requirement of holding land acres

## **Tractor loans and features**

Some incredible features will help you know about the tractor loan in detail. First, the margin percentage that applies to loans starts from 15%. There must be primary security of the loan to get the proper service. Insurance will come against the tractor, and the owner must avail it for the financial institution; that is why the lending procedure will come from the authorized entity. The loan collateral must be in the tractor and get an effective result. The interest rate will be seven years and a grace period of at least one month.

Certain banks will provide monthly, quarterly, and half-year repayment intervals. The processing charges will be applicable, and in most of these loans, one will get 0.5% of the loan amount. Therefore, the loan value will be almost 90% of the tractor price. The repayment terms will include:

- The competitive rate of interest.
- Flexible tenure of up to 12 to 84 months.
- Multiple repayment choices. Some banks will cover accidental death or if there is any permanent disability. However, the banks do not extend tractor loans without any additional collateral.

## **Benefits of the tractor loan**

Easy process- a tractor loan is always secured; hence, the tractor itself is the collateral. Hence, the processing and disbursement of the tractor loan will be hassle-free and quick.

Online transaction- an applicant will apply online, and the document verification will be online, making it practical and fast. In addition, the disbursement becomes easy through an online platform, making it applicable and reasonable.

Low-interest rate- it is a loan that will fall under the priority and given the agriculture sector, so the interest rates are minimum and low. The vehicle loan that one can use to buy a commercial vehicle, for example, a tractor, comes under the low teaser rate and becomes a feasible option.

Easy documentation- the documentation process is easy and as it is a secured loan hence the process of the loan is fast. There is usual proof with great identity, income proof, and address, and there is an establishment of the applicant's authenticity.

**Source:** <https://www.skfin.in/>