

2) **Payment Terms:**

- a) Principal (yearly or half yearly etc.);
- b) Interest terms (interest rates – Fixed, variable, different rates applied over the same period, interest month, interest year i.e. how many days in one year and how many days in one month) – interest start date and interest end date.
- c) Payment of interest and Repayment of Principal dates, for example the first payment date and last payment date should be known by the borrower.

Important points for DSL data entry process:

The DSL branch must be sure that:

- i) There is a full copy of Subsidiary Loan Agreement (SLA);
- ii) Every single disbursement being recorded in the spread sheet;
- iii) The manual files also should be well organized;
- iv) The exchange rate should be recorded in the accounts on daily basis from one sources, while maintaining Foreign Currency accounts;
- v) The loan (original loan) is to be considered as valid loan only when it has no anomaly. Before generating any comments/reports, it needs to be checked that the loan is valid;
- vi) Disbursement or drawing of loan is also an important point of any loan. Un-disbursed balance needs to be checked. If the initial drawing date limit expired that means the date drawing limit was extended or the un-disbursed amount was cancelled. This is applicable for both Development Credit Agreement (DCA) and Subsidiary Loan Agreement (SLA).

Points necessary for scrutinizing a DCA broadly are as follows:

- Closing date for disbursement;
- Commitment charge along with its rate and payment date;
- Service charge along with its rate and payment date;
- The terms and conditions for the repayment of the principal;
- The currency of payment;