

Vehicle loan pools may maintain stable performance, says Icra

VEHICLE LOAN POOLS are expected to maintain stable performance in the medium term because of the strong domestic cycle and efforts of financiers to ramp up collections, rating agency Icra said on Thursday, adding that the impact of fluctuations in global fuel prices will be a key monitorable.

Separately, microfinance loan pools are witnessing a healthy performance as entities are increasingly utilising technology to boost collections, the agency said. Other than Punjab, where farmers' agitation is on, collections have been improving elsewhere. "Icra has observed that investors have been proactively filtering out Punjab from shortlisted pools. Hence, the impact of the agitation on MFI securitisation is expected to be minimal going forward," the agency said in a press release.

Among other segments, secured small and medium enterprises loan pools have outperformed unsecured SME loan pools in terms of collection efficiency and asset quality. Delinquencies in securitised personal loans pools have remained range bound at 1.6-3.4% for loans overdue by more than 90 days. So far as mortgage-backed securities transactions are concerned, the rate hikes undertaken during the last two years did not have a significant bearing on collection efficiencies as most lenders passed on the hikes in the form of elongated tenures rather than increasing equated monthly instalments. Personal loan collections fell marginally in the past two quarters due to higher festive season spending by customers, the agency said. —FE BUREAU