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## SBI Lowers MCLR by 25 Bps, Bringing Up to ₹1,440 Relief for ₹5–10 Lakh Borrowers

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India's largest lender, State Bank of India (SBI), reduced its Marginal Cost of Funds-based Lending Rate (MCLR) across all tenors by up to 25 basis points, effective July 15, 2025. The revised rates now range from 7.95 percent to 8.90 percent, down from 8.20 percent–9.10 percent. The move is expected to bring immediate relief to borrowers with loans linked to MCLR, such as personal and business loans.

Loans worth ₹5–10 lakh will see noticeable savings:

- **Six-month loans:** MCLR cut from 8.90 percent to 8.70 percent, yielding savings of approximately ₹300 for ₹5 lakh and ₹600 for ₹10 lakh over the loan tenure.
- **One-year loans:** Rate drop from 9.00 percent to 8.80 percent translates to savings of ₹660–720 on a ₹5 lakh loan and ₹1,320–1,440 on a ₹10 lakh loan.
- **Three-year loans:** MCLR lowered from 9.10 percent to 8.90 percent, saving around ₹2,000 on a ₹5 lakh loan and ₹4,000 on a ₹10 lakh loan.

Under SBI's revised structure, the overnight and one-month MCLR are tied at 7.95 percent, three-month at 8.35 percent, six-month at 8.70 percent, one-year at 8.80 percent, two-year at 8.85 percent, and three-year at 8.90 percent.

This rate reduction follows the Reserve Bank of India's cumulative 50 basis point repo rate cut since April 2025. Borrowers with loans tied to MCLR stand to benefit most, with automatically lower monthly payments once the new rates apply. While external benchmark-linked loans remain unaffected, SBI's decision targets affordability for smaller loans such as personal and business credit.

Borrowers must check if their loan is linked to SBI's MCLR. If eligible, they should confirm whether the bank has passed on the full cut to their account. EMI recalculations will be shared accordingly. Processing fees and individual repayment schedules can affect final savings, so borrowing parties should consult directly with their branch.