

## 7. EDUCATION LOAN FACILITY

### 7.1 EDUCATIONAL LOAN SCHEMES OF INDIAN BANKS ASSOCIATION :

<b>Purpose</b>	Payment of course fees. Purchase of books, equipments, instruments, uniform, payment of hostel fees, examination fees, study tours for studies in India
<b>Eligible Courses</b>	Professional courses: Engineering, Medical, Agriculture, Veterinary, Law, Dental, Computer, Management, etc.
<b>Quantum of Finance</b>	Need based finance For studies in India: Max. Rs.10.00 lacs
<b>Margin</b>	Upto to Rs.4.00 lacs – Nil Above Rs.4.00 lacs – for studies in India – 5%
<b>Security</b>	Loan is given jointly to the student and parent /guardian Assignment of future income of the student <ul style="list-style-type: none"> <li>• Upto Rs.4.00 lacs- No security</li> <li>• Above Rs.4.00 lacs upto Rs. 7.50 lacs –Satisfactory third party guarantee</li> </ul> (Note: If the proposed borrower prefers to offer collateral security of tangible assets (moveable or immoveable) instead of bringing collateral securities in the form of third party guarantee, the same may be accepted, at his request, provided the securities with stipulated margin covers 100% of the loan amount). <ul style="list-style-type: none"> <li>• Above Rs. 7.50 lakhs: Collateral security equal to 100% of the loan amount.</li> </ul>
<b>Processing fee</b>	No processing / upfront charges may be levied on loans sanctioned under the scheme.
<b>Repayment</b>	Commences two years after completion of the course or six months after getting employment, whichever is earlier.  <b>Loan with interest is repayable in equated monthly installments within:</b> For loans Upto Rs.7.5 lacs – 10 years after commencement of repayment For loans above Rs.7.5 Lakhs - up to 15 years after commencement of repayment  No prepayment penalty <u>Credit Delivery</u> Loan can be availed from the branch nearest to the place of permanent residence of the parent / guardian. Obtention of UID number (Aadhaar) of the student is compulsory
<b>Rate of interest</b>	<ul style="list-style-type: none"> <li>• Interest to be charged at rates linked to the Base rate as decided by individual banks</li> <li>• Simple interest to be charged during the study period and up to commencement of repayment.</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Should be an Indian National with no specific restriction for age of the student.</li> <li>• Should have secured admission on merit to professional/technical courses in India including management quota.</li> </ul>
<b>Not eligible for interest subsidy</b>	<ul style="list-style-type: none"> <li>• Students admitted through management quota</li> <li>• Students pursuing studies abroad</li> <li>• Students pursuing courses which are not approved under IBA Scheme but approved by the Bank.</li> <li>• Students discontinuing the course in the mid-stream or who are expelled from the institution on disciplinary or academic grounds. However subsidy would be available for actual period of study only if discontinuation is due to medical grounds with necessary documentation.</li> </ul>
<b>Interest Subsidy to Economical Weaker Section Students</b>	<ul style="list-style-type: none"> <li>• Interest subsidy during moratorium period is available to students who produce parents income certificate not exceeding Rs.4.50 lacs p.a.</li> <li>• The income certificate is to be issued by the authority viz. District Collector, Dy. Collector/ Asst. Collector/Prant Officer &amp; Mamlatdar</li> </ul>