

Education Loan Scheme

Purpose :

For providing financial support to deserving / meritorious students for pursuing higher education in India and Abroad.

Studies in India (Indicative List) :

- Approved courses leading to Graduate/Post Graduate Degree and PG Diploma Courses conducted by Colleges / Universities recognized by University Grants Commission-India (UGC)/Govt./All India Council for Technical Education (AICTE)/India Council of Medical Research-(ICMR) etc.
- Courses such as MBBS, Post Graduation in Medicine, Technical, Engineering Courses etc.
- Courses conducted by Indian Institutes of Management-(IIMs), Indian Institutes of Technology-(IITs), Indian Institute of Science-(IISc), Xavier Labour Relation Institute-(XLRI). National Institute of Fashion Technology-NIFT, National Institute of Design – NID etc.
- Regular Higher Degree/Diploma courses like Aeronautical, Pilot Training, Shipping, Degree/Diploma in other discipline approved by Director General of Civil Aviation/Shipping or any other regulatory body, if the course is pursued in India.
- Approved courses offered in India by reputed Foreign Universities.

The above list is indicative in nature. Bank may approve other job oriented courses leading to technical / professional degrees, post graduate degrees / diplomas offered by recognized institutions under this scheme.

Studies Abroad :

- Graduation : For job oriented professional/technical courses offered by reputed universities.
- Post graduation : MCA, MBA, MS, etc.
- Courses conducted by chartered Institute of Management Accountants (CIMA)-London, Certified Public Accountant – CPA in USA etc.

- Degree / diploma course like aeronautical, pilot training, shipping etc provided these are recognized by competent regulatory bodies in India / abroad for the purpose of employment in India / abroad.

Expenses considered for Loan :

- a. Fee payable to college / school / hostel
- b. Examination / Library / Laboratory fee
- c. Travel expenses for studies abroad
- d. Caution deposit, Building fund / refundable deposit supported by Institution bills / receipts.
- e. Insurance premium for student borrower, if applicable
- f. Purchase of books / equipments / instruments / uniforms.
- g. Purchase of computer at reasonable cost, if required for completion of the course.
- h. Any other expense required to complete the course – like study tours, project work, thesis, etc.
- i. While computing loan required, scholarships, fee waiver etc. if any available to the student borrower may be taken into account. If the scholarship component is included in the loan assessment, it may be ensured that the scholarship amount gets credited to the loan account when received from the Government.

Maximum amount of loan :

Studies in India	:	Above Rs. 6 Lakh and maximum upto Rs. 20 Lakh
Studies in Abroad	:	Above Rs. 20 Lakh and maximum upto Rs. 35 Lakh

Eligibility	:	The students should be an Indian National Should have secured admission to a higher education course in recognized institution in India or Abroad.
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Repayment : Repayment of the loan will be in equated monthly instalments for periods as under.

For loans upto 15 lakh	upto 12 years (inculding moratorium period)
For loans above Rs. 15 lakh	upto 15 years (inculding moratorium period)
Moratorium period = Course Period + Maximum period of 6 months	

Rate of Interest :

For loans upto 15 lakh	9% p.a.
For loans above Rs. 15 lakh	10% p.a.

No concession for girl / female students.

Interest to be serviced during moratorium period.

Margin :

Studies in India	15%
Studies in Abroad	20%

- Scholarship / Assistantship to be included in margin.
- Margin should be brought on year to year basis as and when disbursements are made on a pro-rata basis.

Membership : Regular membership for the applicant and co-applicant.
Shareholding at 1.25% of exposure
(sub to maximum of Rs. 50,000/-)
Regular membership for sureties (Rs. 1000/-)

- Securities** : 100% tangible collateral security will be taken and parents / guardian to be joint borrower(s)
The security shall be in the form of –
- Immovable Property,
 - NSCs,
 - KVP,
 - Life Insurance Policies (surrender values),
 - Gold ornaments,
 - Fixed Deposit Receipt(s) in the name of student/parents/guardian
 - Any other third party or any other tangible security acceptable to the bank.

(In case of Third Party Securities/Properties are mortgaged, the security/property/owner shall be made as Guarantor)

Processing Charges : 0.25% (subject to minimum of Rs. 5,000/- and maximum of Rs. 15,000/-)

Guarantors : To competent guarantors above.

- Documents Required** :
- Duly filled-in Loan Application Form.
 - Latest Photograph, Photo Identity Proof, AADHAR Copy, Pan Card Copy, Latest Residence Proof of the applicants & Guarantors.
 - Parents / Guardians having regular source of income to justify servicing monthly interest. (In case of salaried person-latest three months salary slip, form 16, IT Returns, bank statement of salary account for last 6 months. In case of professional or business – latest three years IT Returns-including computation, P & L, Balance sheet, tax challan, bank statement of current/CC/OD/account for last 6 months.)

- Proof of confirmed admission, offer letter from university/college/institutes stating details of course and admission procedure/s.
- Latest academic mark sheets.
- Estimate of course fees and other expenses (Travelling / Lodging & Boarding)
- Copy of Passport/VISA and other related documents (in case of education abroad).

Prepayment Charges : No prepayment penalty will be levied for prepayment of loan any time during the repayment period.

Capability / Capacity Certificate :

On applicable, bank may issue the capability certificate for students going abroad for higher studies. For this purpose financial and other supporting documents shall be obtained from applicant, if required.

Minimum Age :

If the student is a minor while the parents executed documents for the loan, the bank will obtain a letter of ratification from him/her upon attaining majority.