

General Offer - Studies in India (Non-vocational courses)



Education loan is extended as a term loan granted to students who have secured admission for higher studies in India / partly India or abroad.

Features

Eligible Candidate

- ▶ Should be Indian National including NRIs (for Studies in India & Abroad). Loan can be sanctioned to students, who are PIO/OCI (for Studies in India only).
- ▶ Student who have secured admission to a higher education course in recognized institutions in India through Entrance Test/ Merit Based Selection process after completion of HSC (10 plus 2 or equivalent).

Eligible Courses

- ▶ Approved courses leading to graduate/ post graduate degree and P G diplomas/certificate conducted by recognized colleges/ universities recognized by UGC/ Government/ AICTE/ AIBMS/ ICMR etc.
- ▶ Professional and Technical courses initiated under Government Subsidy Schemes like CSIS
- ▶ Courses like ICWA, CA, CFA etc.
- ▶ Courses conducted by IIMs, ISB, IITs, IISC, XLRI, NIFT, NID.
- ▶ Regular Degree/Diploma courses like Aeronautical, pilot training, shipping, degree/diploma in nursing or any other discipline approved by Director General of Civil Aviation/Shipping/Indian Nursing Council or any other regulatory body as the case may be, if the course is pursued in India.
- ▶ Approved courses offered in India by reputed foreign universities.

Assessment of employability and earning potential of the student upon completion of course and consequent ability to repay the loan is an important criteria.

Reference- indicative:

<http://mhrd.gov.in/technical-education-1>; <http://mhrd.gov.in/institutions-national-importance>;
http://www.naac.gov.in/Universities_Colleges.asp; <http://www.nbaind.org/accreditation-status.aspx>;
www.uac.ac.in: www.education.nic.in: www.aicte.org.in: www.nirfindia.org

Quantum of Finance

- ▶ Need based finance to meet the education expenses taking in to account margins and subject to the ceiling limits based on the course. Bank at its discretion may consider finance in excess of the specified ceiling limit on case to case basis.

Studies in India	Maximum Loan Amount
Medical courses	Rs. 30 lakhs
Engineering / Management courses	Rs. 25 lakhs
Aeronautical, Pilot training, Shipping courses, nursing etc. recognized by competent regulatory bodies in India.	Rs. 20 lakhs
Other courses	Rs. 10 lakhs

Expenses Covered under Loan

- ▶ Fee payable to college/ school/ hostel
- ▶ Examination/Library/Laboratory fee
- ▶ Caution deposit, Building fund / refundable deposit supported by Institution bills/receipts (maximum upto 10% of total tuition fees)
- ▶ Purchase of books/ equipment/ instruments/ uniforms/computer at reasonable cost if essential for the course, any other expense like academic and maintenance fees, study tours, project work, thesis, exchange programme etc. required to complete the course (maximum upto 20% of total tuition fees)
- ▶ Service Tax & Cess if applicable.
- ▶ Insurance premium for student borrower. Various options to choose from our Insurance partner.

Repayment terms

- ▶ Loan repayment will commence after moratorium period and to be paid in equated monthly installments in a period of up to 15 years
- ▶ Moratorium period: Course period + 1 year
- ▶ If student opts for interest servicing during moratorium period and accordingly makes payment of full interest before commencement of repayment, then EMI will be based on principal amount
- ▶ If student opts for interest moratorium, then accrued interest will be added to the principle to fix EMI accordingly

Processing Charges

- ▶ Nil processing fee. Prevailing schedule of Charges to be referred.
- ▶ Vidyalakshmi Portal Fees: Rs. 100/- plus applicable taxes

Margin & Security

	Margin	Security
Standard criteria (for all cases)	Margin= Total Course Fee (including Living Expenses)- Sanctioned Loan Amount Scholarship may be included in margin	Parent(s) / guardian(s) to be joint borrower(s) for all cases, which may be spouse/ parents/parents in-law for married candidates and in case they are unable to join due to genuine reasons then any relative. Non relative may join subject to specific conditions.
Loan amount	Minimum Margin	Security norms
Up to Rs. 4 Lakh	Nil	No security. Only co-obligation
> Rs. 4 lakh - Rs. 7.5 Lakh	5%	Suitable third-party guarantee apart from co-obligation
Above Rs. 7.5 Lakh	10%	Collateral security required <ul style="list-style-type: none"> ▪ Ownership of security - in the name of student/ parent/ guardian/ Co-applicant(s). ▪ Options: various options of liquid collateral and Immovable property

Collateral (if applicable)

- ▶ Collateral in the name of student/ parent/ guardian/ Co-applicant(s)

Type of Collateral & Security coverage:

(i) Immovable Property

Immovable property including open/vacant plot (*except agri land/plot used for cultivation*)

Security coverage: Value of immovable property to cover 1.33 times of loan amount

(ii) Liquid collateral options having fixed returns / surrender value

- ▶ Fixed deposit with IDBI Bank (*valued at face value plus accrued interest, margin 10%*)
- ▶ LIC Policy (*valued at surrender value, margin 15%*)
- ▶ NSC/ KVP (*valued at face value, margin 20%*)
- ▶ Government Securities/ Public Sector Bonds (*valued at lower of face value or issue price, margin 30%*)

Security coverage: Above Liquid collaterals having fixed returns / surrender value such that security value after deducting applicable margin covers 100% of loan amount.

Interest



- ▶ Floating Rate of interest linked to RLLR i.e Repo Linked Lending Rate
- ▶ Concession in Interest rate for existing customer / Girl child / Minority/ SC /ST/ Physically challenged
- ▶ Interest concession if interest is serviced during moratorium
- ▶ Simple interest charged during moratorium period
- ▶ Servicing of interest during moratorium is optional for student

Reimbursement facility

- ▶ Loan for reimbursement of eligible expenditure can be availed within 6 months of actual expense subject to proper documentation substantiating the expense. Bank at its discretion may consider reimbursement of expense beyond 6 months.

Government Subsidy Scheme

- ▶ Subsidy under Central Sector Interest Subsidy Scheme can be availed by eligible borrowers on submission of applicable documents and complying applicable formalities.

Part payment/ Foreclosure

- ▶ Loan may be repaid any time after commencement of repayment or earlier without any prepayment/foreclosure charges.
- ▶ If prepayment is made during moratorium period then further disbursement shall not be made.

Top up loan / Second loan

- ▶ Top up loan for financing increase in course fee
- ▶ Second loan for pursuing another course or post-graduation
- ▶ In case Top up loan/ Second loan is availed during moratorium of the existing loan, the moratorium of the existing loan shall be extended to match moratorium period of the subsequent loan.

Documents required along with duly completed application form

I) Documents in respect of Student-applicant:

- ▶ Age Proof & Proof of Identity and Address based on Officially Valid Document as per KYC norms
- ▶ Mark sheets from Class 10th onwards till the last qualifying examination
- ▶ Proof of admission secured: Offer Letter /Admission Letter from the
- ▶ Schedule of expenses for the course
- ▶ Passport-size photographs
- ▶ Details of previous / existing loan, if any, from Banks/Lenders.
- ▶ Pan Card
- ▶ Aadhaar (mandatory for availing benefit of Govt. subsidy scheme)
- ▶ If eligible for benefit under Government subsidy scheme- relevant documents to be furnished
- ▶ Security documents if applicable
- ▶ Any other document as specified by Sanctioning Authority

II) Documents in respect of Co-applicant / Guarantor:

- ▶ Age proof, Proof of Identity, address and signature as per KYC norms
- ▶ Passport-size photographs
- ▶ Details of previous / existing loan, if any, from Banks/Lenders.
- ▶ Pan Card
- ▶ Employment or Business or Income Proof
- ▶ Asset liability state of co-applicant /guarantor for ascertaining Net worth, if applicable
- ▶ Income proof depending on profile – if income is considered for the purpose of calculation of loan eligibility.
- ▶ For availing the benefit of Government Subsidy schemes, Income certificate/ proof from the designated officials of the respective states/Competent Authority is mandatory before sanctioning of loan. Also relevant documentation formalities to be completed
- ▶ Any other document as specified by Sanctioning Authority to take the credit decision.

Balance Transfer

Balance Transfer facility available subject to compliance of applicable BT norms

Features of Balance Transfer:

- **Eligibility criteria** of Loan account to be taken over :
 - ▶ should have been fully disbursed before BT
 - ▶ amount to be taken over to be above Rs. 4 lakh
 - ▶ Loan should have minimum of 12 months repayment track record (RTR) towards repayment of principal.
 - ▶ No instances of cheque bounces/installment default and no overdue in the loan
 - ▶ Loan accounts eligible for Interest subsidy of GoI not eligible for BT facility
- **Maximum tenor** of 10 years for loans up to Rs. 7.5 Lakhs and 15 years for loan above Rs. 7.50 lakh.
- **Loan Eligibility** shall be primarily worked out on applicant's income and if it is not sufficient for the loan amount then co-applicant's income may be clubbed.
- **FOIR:** As per the type of income of the applicant
- **Security/ Guarantee** norms as applicable for non-vocational courses.
- **Margin and moratorium** will not be applicable.
- **Rate of interest** corresponding to amount being taken over & applicable variant of the Loan.
- Applicable Processing fee as per Schedule of charges
- All other norms shall be same as per the applicable variant of education loan

Education Loan for Chartered Account course offered by ICAI, courses offered by ICWAI and ICSI

Education loan for CA, courses offered by ICWAI and ICSI have specific features in respect of eligible courses, quantum of finance, expenses covered, security norms and balance transfer facility whereas the remaining features including repayment tenure may be referred from the General Offer variant.

Features

Eligible Courses

- ▶ Chartered Account course offered by ICAI, courses offered by ICWAI and ICSI viz. ICWA & CS.

Quantum of Finance

- ▶ Maximum Rs 3.00 Lakh

Security

- ▶ Nil

Expenses covered under Loan

- ▶ Initial registration fee payable to institute/examination fee/library fee for each course/stage
- ▶ Purchase of Computers/ Laptop/ tablet, essential for completion of the course, will be allowed only after passing CPT. The loan amount for computer/ laptop not to exceed Rs. 40,000/-.
- ▶ Loan Amount for books, conveyance, etc. should be maximum up to total course registration fee.
- ▶ No finance for private tuitions/ private coaching fee. However, expenditure on Live Virtual Classes supported by institution bills/ receipts and cost of tuitions conducted by ICAI would be allowed.
- ▶ Charges paid to hostel/PG charges to be restricted to maximum up to total course registration fee.

Balance transfer

- ▶ Not Allowed