

EDUCATION LOAN SCHEME INDIAN BANKS ASSOCIATION

Purpose Payment of course fees. Purchase of books, equipments, instruments, uniform and payment of hostel fees, examination fees and study tours for studies in India

Eligible Courses

Professional courses: Engineering, Medical, Agriculture, Veterinary, Law, Dental, Computer, Management, etc.

Eligibility

- Should be an Indian National with no specific restriction for age of the student.
- Should have secured admission on merit to professional/technical courses in India (Including management quota)

Not eligible for

- Students admitted through management quota

Quantum of Need based finance

Finance:

For studies in India: Max. Rs.10.00 Lakhs

Margin:

Up to Rs.4.00 Lakhs – Nil

Above Rs.4.00 Lakhs – for studies in India – 5%

Security:

Loan is given jointly to the student and parent /guardian

Assignment of future income of the student

- Upto Rs.4.00 Lakhs- No security
- Above Rs.4.00 Lakhs (upto Rs. 7.50 Lakhs) –Satisfactory third party guarantee
(Note: If the proposed borrower prefers to offer collateral security of tangible assets (movable or not moveable) 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)

- Above Rs. 7.50 lakhs: Collateral security equal to 100% of the loan amount

Processing fee:

No processing / upfront charges may be levied on loans sanctioned under the scheme

Repayment:

Commences two years after completion of the course or six months after getting Employment (whichever is earlier)

Loan with interest is repayable in equated monthly installments within:

For loans Upto Rs.7.5 Lakhs – 10 years after commencement of repayment

For loans above Rs.7.5 Lakhs - up to 15 years after commencement of repayment

No prepayment penalty

Credit Delivery

Loan can be availed from the branch nearest to the permanent residence of the parent/guardian. Abstention of UID number (Aadhaar) of the student is compulsory

Rate of interest

- Interest to be charged at rates linked to the Base rate as decided by individual banks
- Simple interest to be charged during the study period and up to commencement of repayment

Interest subsidy

- Students pursuing studies abroad
- Students pursuing courses which are not approved under IBA Scheme but approved by the Bank
- 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

Interest Subsidy to:

- Interest subsidy during moratorium period is available to students who produce

Economical Weaker:

Parent's income certificate does not exceed Rs.4.50 Lakhs p.a.

Section Students

The income certificate is to be issued by the authority viz. District Collector, Dy. Collector/Asst. Collector/Prant Officer & Mamlatdar

